

# TAPARIA TOOLS LTD.



ANNUAL REPORT 2017 - 18

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## 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  
(Upto 03/10/2017)

Shri B.B. Ladda  
Independent Director

Shri G.S. Manasawala  
Independent Director

Shri Rajeev J. Mundra  
Independent Director

Mrs. Disha N. Wadhvani  
Independent Director

Mrs. Premlata Purohit  
Independent Director  
(Since 27/06/2017)

Shri Devendra Vyas  
Independent Director  
(Since 11/12/2017)

Shri Virendraa Bangur  
Non-Executive Director

Shri Sivaramakrishnan  
Director – Operations

Key Managerial Personnel

Shri S. R. Bagad  
Chief Financial Officer

Shri V. S. Datey  
Company Secretary

### BOARD COMMITTEES

#### Audit Committee

Shri G.S. Manasawala (Chairman)  
Shri P.N. Shah  
(Upto 03/10/2017)  
Shri B.B. Ladda  
Shri Rajeev J. Mundra

#### Nomination and Remuneration Committee

Shri G.S. Manasawala (Chairman)  
Shri P.N. Shah  
(Upto 03/10/2017)  
Shri B.B. Ladda  
Shri Rajeev J. Mundra

#### 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

#### BANKERS

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

#### STATUTORY AUDITORS

M/s. M. M. Parikh & Co.  
Chartered Accountants, Mumbai

#### SECRETARIAL AUDITOR

C.S. Sagar Khandelwal  
Practicing Company Secretary

### REGISTRAR & TRANSFER AGENTS

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

Email: info@unisec.in

Web Site: www.unisec.in

### CORPORATE OFFICE

423/24, (A-2), Shah and Nahar,  
Lower Parel (W),

Mumbai – 400 013, (Maharashtra)

Tele.: (91) (22) 24938646-50

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

CIN: L99999MH1965PLC013392

E-Mail: nashik@tapariatools.com

Web Site: www.tapariatools.com

## *Notice*

NOTICE is hereby given that Fifty-second Annual General Meeting of the Members of TAPARIA TOOLS LIMITED will be held on Saturday, the 29th day of September, 2018 at 9.30 a.m. at Hotel Emerald Park, Sharanpur Link Road, Nashik, 422002 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 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as ordinary resolution:

**"RESOLVED THAT** the Audited Financial Statement of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Shri J. K. Taparia, who retires by rotation as a Director and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri J. K. Taparia (DIN 00126945), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

By order of the Board  
For TAPARIA TOOLS LTD.

**V. S. Datey**  
Company Secretary

Mumbai, 11<sup>th</sup> August, 2018

**Registered office:**

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

## *Notes:*

- 1) A member entitled to attend and vote at the Annual General 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 other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

- 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 representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
- 6) Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
- 7) A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to Special Business to be transacted at the Meeting, if any, is annexed hereto.
- 8) In terms of Section 152 of the Act, Shri J.K. Taparia, Director, retires by rotation at the Meeting and being eligible, offer himself for re-appointment.
- 9) Shri J.K. Taparia, Director is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. Shri H.N. Taparia, Chairman & Managing Director, Shri D.P. Taparia, Director and Shri M.P. Taparia, Director, being related to Shri J.K. Taparia, may be deemed to be interested in the resolution set out at item No. 2 of the Notice. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under item Nos. 2 of the Notice.
- 10) Details of Director/s retiring by rotation / seeking appointment / re-appointment at the ensuing meeting are provided in the "Annexure I" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
- 11) Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
- 12) 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 at this meeting.
- 13) Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days, (i.e. except Saturdays and public holidays) during business hours up to the date of the Meeting.
- 14) The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 21st, 2018 to Saturday, September 29th, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
- 15) 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.
- 16) 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.

- 17) 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 (SH-13) can be downloaded from the Company's website [www.tapariatools.com](http://www.tapariatools.com) under the section 'Investor Relations'.
  - 18) 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.
  - 19) 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.
  - 20) 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.
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## *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]**

Particulars	Shri J. K. Taparia (DIN: 00126945)
Date of Birth	03.06.1942
Qualifications	Graduate in Commerce, Law & Industrial Management
Experience (including expertise in Specific functional area)	Wide Managerial Experience
Date of Appointment/ Re-appointment	29.09.2015
Relationship with other Directors / Key Managerial Personnel	Relative of Shri D.P. Taparia Relative of Shri M.P. Taparia Relative of Shri H.N. Taparia
Shareholding in the Company as on March, 31, 2018	147476

## *Annexure II*

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

- i. The voting period begins on 26th September 2018 at 9.00 a.m. and ends on 28th September 2018 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 22nd September 2018 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 which is mentioned in address label as SR. No. affixed on Annual Report, 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)	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.  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).
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- 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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).



## Board's Report

To the Members of Taparia Tools Limited,

Your Directors have pleasure in presenting the 52nd Annual Report on the operations of the Company together with the Audited Financial Statements for the year ended March 31, 2018.

### FINANCIAL PERFORMANCE (as per Ind AS)

	(₹ in Lakhs)	
	2017-2018	2016-2017
Revenue (Net)	40918.28	38301.56
<b>Profit before interest and depreciation</b>	2264.47	1901.18
<i>Less : Interest</i>	12.15	130.47
<b>Gross Profit</b>	2252.32	1770.71
<i>Less : Depreciation</i>	49.01	42.32
<b>Profit for the year before tax</b>	2203.31	1728.39
<i>Less : Provision for taxation</i>		
Current Tax	760.64	608.04
Deferred Tax	(11.96)	28.90
Profit after tax	1454.63	1091.45
<b>Other Comprehensive Income</b>		
Gain on Remeasurements of the defined benefit plans	(20.69)	29.98
<i>Income Tax effect</i>	7.16	(10.37)
Total other comprehensive Income	(13.53)	19.60
Total comprehensive Income for the period	1441.10	1111.05

The company has adopted Indian Accounting Standard (Ind AS) with effect from April 1, 2017 and accordingly, these Financial Results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, as prescribed under section 133 of the Companies Act, 2013 (Act) read with the relevant Rules framed thereunder and the other accounting principles generally accepted in India.

### 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 & Equipment, exploring new area for operations etc.

### REVIEW OF OPERATIONS

The Company's working during the year is satisfactory. The Company's total revenue (Net of excise duty) was ₹ 40918.28 lakhs that represent an increase of 6.83 % over the sales of ₹ 38301.56 Lakhs in the previous year. Profit earned after tax is ₹ 1454.63 Lakhs in the current year represents an increase of 33.28% against ₹ 1091.45 Lakhs in the previous year.

### GOODS AND SERVICES TAX (GST)

The introduction of Goods and Services Tax (GST) is the biggest tax reform in the history of independent India which absorbed almost dozen central as well as local taxes. The GST is the baby born in front of us and as aimed has not been able to achieve the synonym of Goods and Simple Tax. The loopholes in current law are being covered by issue of various explanations and amendments wherever required, another important aspect in GST law is the introduction of the e-way bill Rules which are being gradually implemented in a phase wise manner to avoid glitches and achieve One Nation One Tax goal in a smooth and effective manner. The company is working on the smooth application of GST and has been successful in complying with all its requirements till date, however the new statute has long way to go for becoming industry friendly and achieving its goal of increasing ease of business in India. According to a survey there has been an increase of 50% tax base in indirect tax revenue in Nation post implementation of GST.

### CORPORATE GOVERNANCE

It has been the endeavor of your Company to follow and implement best practices in corporate governance, in letter and spirit. 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 is attached.

### LISTING INFORMATION

The equity shares of the company are listed on the Bombay Stock Exchange. The listing fees for the year 2018-2019 have been paid to BSE.

### DEMATERIALISATION OF SHARES

Since the initiation of the dematerialization of shares of the Promoter and Promoter group, the Company has dematerialized 73.57% of their shareholding as on date. The Promoters and Promoter Group have finished the dematerialization of their shareholding whatever has been possible.

## PUBLIC DEPOSITS

During the financial year 2017-18, 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 2017-18, 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.

During the financial year 2017-2018, the company invested surplus fund generated from its operating activities in the mutual funds namely HDFC FLOATING RATE INCOME FUND, ICICI PRUDENTIAL FLEXIBLE INCOME PLAN AND HDFC CMF TREASURY ADVANTAGE PLAN. However there is no balance as on 31.03.2018.

## 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 J.K. 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 J.K. Taparia is given in the Annexure I to the Notice.

Shri P.N. Shah resigned on October 3, 2017 effective from October 3, 2017 due to his personal reasons.

Shri Devendra Vyas (DIN: 08019038), has been appointed as an Independent Director of the Company on 11<sup>th</sup>

December 2017 to fill up the casual vacancy caused due to Shri P.N. Shah vacating his office as an Independent Director of the Company before the expiry of his term of office. Shri Devendra Vyas is to hold office till the date the outgoing Director Mr. P.N. Shah would have held office (i.e. till 53<sup>rd</sup> Annual General Meeting).

Brief profile of Shri Devendra Vyas (DIN: 08019038) is given as under:

Date of Birth	:	21.09.1975
Qualifications	:	Chartered Accountant
Experience (including expertise in Specific functional area)	:	Monitoring of Accounts, taxation and Financial Management
Date of Appointment/ Re-appointment	:	11.12.2017
Relationship with other Directors / Key Managerial Personnel	:	N.A.
Shareholding in the Company as on March, 31, 2018	:	NIL

During the year, the Independent directors of the Company had no pecuniary relationship or transactions with the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and based on the information and representations received from the operating management, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken 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;

- (d) that the annual accounts have been prepared on a going concern basis;
- (e) that proper internal financial controls are in place and that the internal financial controls are adequate and are operating effectively;
- (f) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

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

The Company has received necessary declaration from each of the independent directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

#### **BOARD EVALUATION**

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

#### **RELATED PARTY TRANSACTIONS**

The company has formulated a policy on Related Party Transactions for purpose of identification and monitoring of such transactions. 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.

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013 which require reporting in Form AOC - 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### **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.

On the basis of good internal control company ensures:

- Orderly and efficient conduct of operations
- Security of its assets
- Prevention of frauds and errors
- Reliable and accurate of financial records

#### **PARTICULARS OF EMPLOYEES**

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

#### **MEETINGS OF THE BOARD**

Seven 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, meetings held, 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.

#### **NOMINATION AND REMUNERATION COMMITTEE**

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

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

##### **Statutory Auditors**

M/s. M. M. Parikh & Co., (Regd. No.107557W) Chartered Accountants were appointed as Statutory Auditors of the Company, for a term of 5 (five) consecutive years, subject to ratification by members every year, at the annual General Meeting held on 27th September 2017.

However, as per Sec. 139 of the Companies (amendment) Act, 2017, the resolution for ratification of appointment of auditors is not required to be placed in the Annual General Meeting w.e.f. from 7th May 2018. Accordingly, no resolution has been proposed for ratification of the appointment of Statutory Auditors in the Annual General Meeting.

They have confirmed that they are not disqualified from continuing as auditors of the Company.

### **Auditors' report**

There are no qualifications, reservations or adverse remarks made by M/s. M. M. Parikh & Co., Statutory Auditors in their report for the Financial Year ended March 31, 2018.

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 Board appointed CS Sagar Khandelwal, Practising Company Secretary, to conduct Secretarial Audit for the F.Y. 2017-2018.

### **Secretarial Auditors' Report**

The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed as Annexure - 'D' to the Report and Management Reply on the observations stated in the Secretarial Audit Report is annexed as Annexure - 'E'.

### **Cost Audit**

The maintenance of cost records is not applicable to the Company as per the amended Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

### **Internal Financial Controls Audit**

The Board has laid down Internal Financial Controls within the meaning of the explanation to Section 134 (5) (e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

Details of Internal Financial Control and its adequacy are included in the Annexure-'B' to the Independent Auditors' Report.

### **RISK MANAGEMENT**

The Board of the Company has framed a risk management policy and monitors the risk management plan for the Company. The Board reviews the risk management plan and ensuring its effectiveness.

### **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. The Report on CSR Activities for F.Y. 2017-2018 is as per Annexure-"B" and forms part of this Report. 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 extract of the Annual Return of the Company is annexed herewith as Annexure – 'F' to this report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant or material orders passed by the Regulators/ Courts/ Tribunals which could impact the going concern status of the Company and its future operations.

#### **INTERIM ORDER BY SEBI**

The Company has received an Interim Order from SEBI on 20/05/2015 for the alleged Non-Compliance of the Minimum Public Shareholding. The Company is of the view that there has been no violation with reference to Promoter Shareholding. The said stand of the Company has been intimated to SEBI vide Company's letter dated 14/10/2015.

Personal hearing on the same is expected to be scheduled soon.

As directed in the Order, Company has regularly submitted compliance reports on quarterly basis to BSE.

#### **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.
- For expansion of business, company has initiated and started plant at Vapi which is under construction.

#### **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  
(DIN: 00126774)

Mumbai, 11<sup>th</sup> August 2018

## Annexure 'A' to the Board's Report

Information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5(1) of the 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	12.77 times
Shri Sivaramakrishnan	6.21 times

Note: Median remuneration of the Company for all its employees is ₹ 3,28,940/- p.a. for the financial year 2017-2018.

- 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)	Nil
Shri S.R. Bagad (Chief Financial Officer)	15
Shri V. S. Datey (Company Secretary)	Nil

- C. Percentage increase in the median remuneration of all employees in the financial year 2017-18:

	2017-18	2016-17	Increase (%)
Median remuneration of all employees per annum	₹ 3,28,940/-	₹ 3,11,956/-	5.44

- D. Number of permanent employees on the rolls of the Company as on 31st March, 2018: 351 Nos.

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

The Revenue of the company increased from a level of ₹ 38.301.56 Lakhs in F.Y. 2016-17 to ₹ 40,918.28 Lakhs in F.Y. 2017-18 representing a growth of 6.83%. 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 6.83% However, no increase in remuneration has been given to Chairman and Managing Director, Director – operations & CFO. There has been an increase in the remuneration payable to CFO.

## 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 2018	55.75	47.92	1.16	1693	Nil
March 2017	55.75	35.95	1.55	1693	Nil

## 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.

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## Annexure 'B' to the Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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.  
Refer "Corporate Social Responsibility (CSR)" in the Board's Report.
2. Composition of the CSR Committee:  
Refer item No. 7 i.e. "Corporate Social Responsibility Committee (CSR)" of Report on Corporate Governance.
3. Average net profit of the Company for last three financial years:  
Average net profit: ₹ 1724.13 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):  
The Company is required to spend ₹ 34.48 lakhs towards CSR.
5. Details of CSR spent for the financial year:
  - a. Total amount spent for the financial year: ₹ 34.17 Lakhs
  - b. Amount unspent: ₹ 0.31 Lakhs

#### Manner in which the amount spent during the financial year 2017-18

(₹ in Lakhs)

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
1	Educational, Scholarship, Bridge Education, Tuition Support, Technical Education, Book Provisioning, in remote villages and also providing educational aid to Govt. Schools	Promoting education	Nagour (Rajasthan), Kolkata (West Bengal), Mumbai, Nashik (Maharashtra), Satna, Indore (M.P.)		21.04	21.04	21.04
2	Orphanage Home	Eradicating hunger, poverty and mal nutrition.	Jaipur (Rajasthan)		0.11	0.11	0.11
3	Animal Welfare	Animal Welfare	Jaswantgadh (Rajasthan), Mumbai (Maharashtra)		2.02	2.02	2.02
4	Public Health and quality of life	Swachh Bharat Kosh	Delhi		2.00	2.00	2.00



(₹ in Lakhs)

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
5	Medical Assistance to Poor	Promoting preventive health care	Mumbai (Maharashtra)		9.00	9.00	9.00

\* Details of the implementing agencies: Pyaridevi Shiksha Sansthan, Juwaridevi Ganeshmal Taparia Charity Trust, Manav Seva Sansthan, Brahma Savitri Ved Vidhya Peeth Pushkar Nyas, Paropkaar, Shree Krishan Gopal Gosadan Samiti, Maheshwari Pragati Mandal, Friends Of Tribal Society, Swachh Bharat Kosh, Unnati Education Society, Pandey Shiksha Samiti, K.K. Wagh Education Society, Deaf Enabled Foundation, M.S.S.D.Bai Jerbai Wadia Hospital and Kanhaiyalal Taparia Charity Trust.

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 made has been successful in spending nearly 99.10% of the said amount. A small amount of ₹ 31,000.00 remained to be spent. During the current year, the amount on CSR 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 the Board's Report

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the year ended March 31, 2018

### A) CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy

Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise use of energy with continuous monitoring, improvement in plant and machine maintenance, efficient electrical power distribution systems and through improved operational techniques like:

- a] By maintaining the Power factor in the range of 0.98 to unity to get maximum power factor incentive.
- b] By scheduling of working hours and adjusting the paid holidays, the Company has managed to save electrical unit consumption and electricity bill. This helps for continuous working of plant and reduce wastage of energy.
- c] We made changes in hydraulic working system of hydraulic broaching presses to reduce the operating cycle time of process, to increase the rate of production.

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

- a) Installed voltage stabilizer to each power transformer to reduce power transformer losses.
- b) The Company is in process to explore the use of solar panels by which company will be able to save electricity charges.

iii) The capital investment on energy conservation equipments : Nil

### B) TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption

1. Rate of output of Broaching is increased by reducing the cycle time by modifying hydraulic system [of one of the seven Broaching presses].
2. Rate of output of flat milling is increased by providing pneumatic clamping instead of manual clamping.
3. Rate of output of Pliers sleeving is increased by carrying out Pliers sleeve assembly on pneumatic fixture instead of doing it manually.
4. Rate of output of hydraulic coining is increased by providing auto pneumatic feeder for feeding pliers shanks.
5. Operator fatigue is reduced by providing Switch operated system instead of lever operated

system on Broaching presses in 2 of the 3 lever operated broaching presses.

6. Conversion cost of Pliers is reduced by combining Joint cutter operation in Profile Broaching operation [on 2 of the 7 broaching presses].
7. Conversion cost of Pincer is reduced by eliminating claw grinding operation by introducing trimming operation along with claw forging.
8. Installed new rectifier for plating line and modified plating fixtures which reduced plating rework and Nickel Consumption.
9. Reprocessing of quenching oil periodically is introduced which results in improved properties of quenching.

ii) Benefits Derived as a results of above efforts:

- Better & efficient manufacturing process.
- Above activities have helped the organization to improve quality, reduce cost & reduce rejection, which had helped in sustained business.
- Improve overall product quality.
- Increase efficiency & effectiveness.
- Maintained market leadership in domestic market.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

iv) The expenditure incurred on Research and Development (R&D) during the year-

Information regarding Technology Imported during last 3 years

Not Applicable

iv) The expenditure incurred on Research and Development

a) Capital	:	-
b) Recurring	:	₹ 125.40 Lakhs
c) Total	:	₹ 125.40 Lakhs
d) Total R and D Expenditure as a % of total turnover	:	0.31%

C) Foreign Exchange earnings and outgo

Foreign exchange earnings	:	₹ 425.72 Lakhs
Foreign exchange outgo	:	₹ 94.44 Lakhs

## *Annexure 'D' to the Board's Report*

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[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  
CIN: L99999MH1965PLC013392  
52 & 52B, MIDC Area,  
Nashik-422 007

I am appointed by Board of Director of TAPARIA TOOLS LIMITED (hereinafter called the Company) to conduct Secretarial Audit on a voluntary basis for the financial year of the Company ended 31st March, 2018.

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, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2018 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 31st March 2018 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: - has been complied by the Company to the extent applicable.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings; [Not Applicable to the Company during the Audit Period since no foreign exchange transaction for inward remittance were reported in Audit Period]
- V. 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, 2015;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: - [Not Applicable to the Company during the Audit period as the Company has not issued Share Capital during the Financial Year under review;]
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: - [Not Applicable to the Company during the Audit Period as the Company has not issued Employee Stock Option Scheme and Employee Stock Purchase Scheme;]

- e) The Securities and Exchange Board of India (Issue and Listing of debt Securities) Regulations, 2008: - [Not Applicable to the Company during the Audit Period as the Company has not issued and listed any debt securities during the financial year under review;]
- f) 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: - [Not Applicable to the Company during the Audit Period as the Company has not delisted/Propose to delist its equity shares from the Stock Exchange during the financial year under review;]
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: - [Not Applicable to the Company during the Audit Period as the Company has not bought back any of its securities during the financial year under review;]
- i) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited except to the extent mentioned further in the report.
- j) The Memorandum and Articles of Association: - [No Modification were made to the Memorandum and Article of Association during the financial year under review.]

## **VI. Other laws applicable specifically to the Company namely**

### **A) 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

### **B) 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 on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI):
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

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 our observations on specific matters of the Company:

1. The Securities and Exchange Board of India (SEBI) had 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.

*During the audit period, the Company was yet to take any action towards re-categorisation and dilution of Promoters and Promoters group share-holding as per the Order. The Management has represented that in its view there was no violation with reference to promoter and promoters' group shareholding. The said stand of the company has been intimated to SEBI wide companies letter dated 14<sup>th</sup> October 2015. Alternatively, the Company had further filed a settlement application on 01<sup>st</sup> August 2017 to SEBI. The application was returned by SEBI on 9th January 2018 after which the Personal hearing on the original matter has been sought with SEBI.*

2. *The Quarterly Shareholding pattern filed by Company with Bombay Stock Exchange is different from the promoters Shareholding pattern mentioned in the order. The Management has represented that the Promoters' Shareholding filed with the SEBI and BSE is correct to the best of their understanding.*
3. As on the Period of Audit One Investor Compliant was open in the quarter ended on 31st March 2018;
4. Details regarding non-compliance of filing of form, return and documents under various Act, Laws are as follows:

#### 4.1 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

4.1.1 *73.57% Shareholding of Promoters was dematerialised whereas Regulation 31 necessitates 100 % Shareholding of Promoter and Promoter group to be in dematerialised form.*

4.1.2 *With reference to the requirements of Regulation 47, The Company has published advertisement for Notice of meeting of Board of Directors in one Language newspaper in only two out of four Quarters.*

#### 4.2 SEBI (Prohibition of Insider Trading) Regulations, 2015

4.2.1 *The Company has missed to report closure of trading window to the stock exchange during the period under Audit.*

#### 4.3 Other Laws and Regulations:

4.3.1 *The Field Officer of Maharashtra Pollution Control Board visited on 20th December 2017 and the authority had given two recommendations which has been found to be complied by the Company.*

4.3.2 *The Company made an application to Maharashtra Pollution Control Board on 17th November 2017 for extension of consent to operate, which was still in process with MPCB during the audit period.*

#### **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 other than mentioned above;

- 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 other than mentioned above;
- The FEMA, 1999 is not applicable on 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)

Place: Pune  
Date: 08/08/2018

To,  
The Members,  
TAPARIA TOOLS LIMITED  
CIN: L99999MH1965PLC013392  
52 & 52B, MIDC Area,  
Nashik-422 007

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. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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 are the responsibility of management. Our 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)

Place: Pune  
Date: 08/08/2018

## *Annexure 'E' to the Board's Report*

### **Management Reply on the Observations of Secretarial Audit Report**

- Point No. 1            In the view of the Company, there was no violation with reference to the "promoters and promoter group" shareholding. The said stand of the Company has been intimated to SEBI vide Company's letter dated 14-10-2015 to SEBI. Personal hearing on the original matter has been sought with SEBI.
- Point no. 2            In view of the Company, the promoters' shareholding filed with the SEBI and BSE is correct.
- Point No.4.1.1        The "Promoters and Promoter Group" have finished the dematerialisation of their shareholding whatever has been possible.
- Point No.4.1.2        The Company has taken necessary measures to avoid such irregularity.
- Point No. 4.2.1        The Company has adopted the "Insider Trading Policy" in the line with the Guideline issued by SEBI. None of the employees dealing with price sensitive information are shareholders of the Company. Now, the Company has already started complying in the current year.
- Point No. 4.3.1        There commendations given by the Maharashtra Pollution Control Board are under the process of implementation.
-

# Annexure 'F' to the Board's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

## I. REGISTRATION & OTHER DETAILS:

i) CIN	L99999MH1965PLC013392
ii) Registration Date	31 <sup>st</sup> December 1965
iii) Name of the Company	Taparia Tools Limited
iv) Category/Sub-category of the Company	Public Company limited by shares
v) Address of the Registered office & contact details	52 & 52B, MIDC Area, Trimbak Road, Satpur, Nashik - 422 007
vi) Whether listed company	Yes
vii) 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. Tele: (022) 28207203-05

## 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture and trade of Hand Tools	25933	100

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

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					



## 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-2017]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March-2018]				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1,529,808	561,409	2,091,217	68.89	1,531,794	559,423	2,091,217	68.89	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	25,300	25,300	0.83	25,300	-	25,300	0.83	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>1,529,808</b>	<b>586,709</b>	<b>2,116,517</b>	<b>69.72</b>	<b>1,557,094</b>	<b>559,423</b>	<b>2,116,517</b>	<b>69.72</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters(A)(1) + (A)(2)</b>	<b>1,529,808</b>	<b>586,709</b>	<b>2,116,517</b>	<b>69.72</b>	<b>1,557,094</b>	<b>559,423</b>	<b>2,116,517</b>	<b>69.72</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Alternate Investment Funds	-	-	-	-	-	-	-	-	-
c) Banks / FI	-	-	-	-	-	-	-	-	-
d) Central Govt.	-	-	-	-	-	-	-	-	-
e) State Govt(s)	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	220	350,955	351,175	11.57	220	350,955	351,175	11.57	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	10,588	39,390	49,978	1.65	11,052	38,926	49,978	1.65	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	212,586	232,398	444,984	14.66	212,586	232,398	444,984	14.66	0.00

c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	50.00	16500	16550	0.55	50.00	16500	16550	0.55	0.00
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	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	223,444	695,789	919,233	30.28	223,908	695,325	919,233	30.28	0.00
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	223,444	695,789	919,233	30.28	223,908	695,325	919,233	30.28	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	1,753,252	1,282,498	3,035,750	100.00	1,781,002	1,254,748	3,035,750	100.00	0.00

Note : The above classification is as per the interpretation of the statutory provisions.

### (ii) Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% 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	Harnarayan Taparia	364,650	12.01	Nil	364,650	12.01	Nil	0.00
2	Harnarayan Taparia (HUF)	133,129	4.39	Nil	133,129	4.39	Nil	0.00
3	Devi Prasad Taparia	101,699	3.35	Nil	101,699	3.35	Nil	0.00
4	Devi Prasad Taparia (HUF)	80,958	2.67	Nil	80,958	2.67	Nil	0.00
5	Jaya Krishna Taparia	147,476	4.86	Nil	147,476	4.86	Nil	0.00
6	Jaya Krishna Taparia (HUF)	66,042	2.18	Nil	66,042	2.18	Nil	0.00
7	Madhav Prasad Taparia	143,565	4.73	Nil	143,565	4.73	Nil	0.00
8	Madhav Prasad Taparia (HUF)	115,969	3.82	Nil	115,969	3.82	Nil	0.00
9	Bhagwati Binani	55	0.00	Nil	55	0.00	Nil	0.00
10	Bharat Taparia	133,194	4.39	Nil	133,194	4.39	Nil	0.00
11	Bharat Kumar Taparia (HUF)	10,718	0.35	Nil	10,718	0.35	Nil	0.00
12	Harsha Mundhra	50,000	1.65	Nil	50,000	1.65	Nil	0.00
13	Kusum Devi Taparia	146,848	4.84	Nil	146,848	4.84	Nil	0.00
14	Prema Devi Taparia	126,989	4.18	Nil	126,989	4.18	Nil	0.00
15	Rajdulari Devi Taparia	181,057	5.96	Nil	181,057	5.96	Nil	0.00
16	Shashi Devi Bangur	69,271	2.28	Nil	69,271	2.28	Nil	0.00
17	Sudha Devi Taparia	103,799	3.42	Nil	103,799	3.42	Nil	0.00
18	Sushil Kumar Taparia	71,799	2.37	Nil	71,799	2.37	Nil	0.00
19	Sushil Kumar Taparia (HUF)	43,999	1.45	Nil	43,999	1.45	Nil	0.00
20	Om Shri Yogeshwar Mfg. & Trading Co.	25,300	0.83	Nil	25,300	0.83	Nil	0.00
	<b>Total</b>	<b>2,116,517</b>	<b>69.72</b>	<b>Nil</b>	<b>2,116,517</b>	<b>69.72</b>	<b>Nil</b>	<b>0.00</b>

### (iii) Change in Promoters' Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2017)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2,116,517	69.72	2,116,517	69.72
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease	0	0	0	0.00
	At the end of the year	2,116,517	69.72	2,116,517	69.72

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

SN	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/ end of the year (31-03-18)	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	Veer Enterprises Limited	274,288	9.04	1/4/2017	-	Nil movement during the year	274,288	9.04
		274,288	9.04	31/3/2018				
2	Shreekanta Devi Taparia	100,098	3.30	1/4/2017	-	Nil movement during the year	100,098	3.30
		100,098	3.30	31/3/2018				
3	Anant Taparia	60,364	1.99	1/4/2017	-	Nil movement during the year	60,364	1.99
		60,364	1.99	31/3/2018				
4	Shree Kumar Bangur	57,358	1.89	1/4/2017	-	Nil movement during the year	57,358	1.89
		57,358	1.89	31/3/2018				
5	Saurabh Bangur	56,555	1.86	1/4/2017	-	Nil movement during the year	56,555	1.86
		56,555	1.86	31/3/2018				
6	Abhimanyu Mundhra-Minor through Gardian	50,000	1.65	1/4/2017	-	Nil movement during the year	50,000	1.65
		50,000	1.65	31/3/2018				
7	Shree Satyanarayan Investments Co.	46,000	1.52	1/4/2017	-	Nil movement during the year	46,000	1.52
		46,000	1.52	31/3/2018				
8	Sunita Kabra	37,850	1.25	1/4/2017	-	Nil movement during the year	37,850	1.25
		37,850	1.25	31/3/2018				
9	Aryaman Taparia-Minor through Gardian	35,277	1.16	1/4/2017	-	Nil movement during the year	35,277	1.16
		35,277	1.16	31/3/2018				
10	Satish Kumar Mundhra	20,438	0.67	1/4/2017	-	Nil movement during the year	20,438	0.67
		20,438	0.67	31/3/2018				

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

SN	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)/end of the year (31-03-18)	% of total Shares of the Company				No. of shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>							
1	Shri H.N. Taparia, Chairman & Managing Director	364,650	12.01	1/4/2017	-	Nil movement during the year	364,650	12.01
		364,650	12.01	31/3/2018				
2	Shri D.P. Taparia, Non-Executive Director	101,699	3.35	1/4/2017	-	Nil movement during the year	101,699	3.35
		101,699	3.35	31/3/2018				
3	Shri J.K. Taparia Non-Executive Director	147,476	4.86	1/4/2017	-	Nil movement during the year	147,476	4.86
		147,476	4.86	31/3/2018				
4	Shri M.P. Taparia Non-Executive Director	143,565	4.73	1/4/2017	-	Nil movement during the year	143,565	4.73
		143,565	4.73	31/3/2018				
5	Shri Virendraa Bangur Non-Executive Director	56,526	1.86	1/4/2017	-	Nil movement during the year	56,526	1.86
		56,526	1.86	31/3/2018				
6	Shri Sivaramakrishnan Whole-time Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
7	Shri P.N. Shah Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
8	Shri B.B. Ladda Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
9	Shri G.S. Manasawala Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
10	Shri Rajeev J. Mundra Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
11	Mrs. Disha Wadhvani Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
12	Mrs. Premlata Purohit Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				
13	Shri Devendra Vyas Independent Director	-	-	1/4/2017	-	Nil Holding/movement during the year	-	0.00
		-	-	31/3/2018				

B	KEY MANAGERIAL PERSONNEL						
1	Shri V.S. Datey Company Secretary	-	-	1/4/2017	-	Nil Holding/ movement during the year	-
		-	-	31/3/2018	-		
2	Shri S.R. Bagad Chief Financial Officer	-	-	1/4/2017	-	Nil Holding/ movement during the year	-
		-	-	31/3/2018	-		

**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	-	-	-	-
Exchange Difference	-	-	-	-
<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:**
*(₹ in Lakhs)*

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	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	18.73	60.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.38	0.38
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
		-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>42.00</b>	<b>19.11</b>	<b>61.11</b>
	Ceiling as per the Act	(10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

**B. Remuneration to other Directors**

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri P.N. Shah	Shri B.B. Ladda	Shri G.S. Manasawala	Shri Rajeev J. Mundra	Mrs. Disha Wadhvani	Mrs. Premlata Purohit	Shri Devendra Vyas	
1	Independent Directors								
	Sitting Fee for attending board/ committee meetings	0.70	0.75	1.25	1.25	0.75	0.40	-	5.10
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	0.70	0.75	1.25	1.25	0.75	0.40	-	5.10
2	Other Non-Executive Directors	Shri J.K. Taparia	Shri D.P. Taparia	Shri M.P. Taparia	Shri Virendraa Bangur				-
	Fee for attending board/ committee meetings	0.60	0.70	0.60	0.10				2.00
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	0.60	0.70	0.60	0.10				2.00
	Total (B)=(1+2)								7.10
	Total Remuneration (A)+ (B)								68.21
	Overall Ceiling as per the Act	(11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ In Lakhs)
		Shri S.R. Bagad	Shri V.S. Datey	
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.01	2.88	12.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.37	0.22	0.59
	(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	-	-	-
5	Others, please specify	-	-	-
	Total	10.38	3.10	13.48

**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					

For and on behalf of the Board of Directors

Mumbai, 11<sup>th</sup> August 2018

**H.N. Taparia**  
Chairman and Managing Director  
(DIN: 00126774)

# Annexure 'G' to the Board's Report

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

### 1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship	N.A.
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

### 2. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	N.A.
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any	

For and on behalf of the Board of Directors

Mumbai, 11<sup>th</sup> August 2018

**H.N. Taparia**  
Chairman and Managing Director  
(DIN: 00126774)



## *Management Discussion And Analysis*

### **Global Economy**

On the economic front, 2017 ended on a high note with GDP continuing to accelerate over much of the world in the broadest cyclical upswing since the start of the decade.

The growth accelerated in about 3 quarters of countries, highest since 2010.

Argentina, Brazil and Russia exited their recessions, however countries that struggled included fuel exporters and low-income economies suffering from civil strife or natural disasters.

2017 experienced a recovery in investment and therefore trade growth made a comeback. Equity valuation in global market increased.

Wage growth has remained low in advance countries coupled with low productivity growth.

### **Indian Economy**

The Indian market was on a high, 2017 was called as the best year for Indian Equity after 2009. GDP growth recovered to 6.3% in September quarter higher than a 3 year low of 5.7% recorded in April.

Annual Budget and the 92-year old railway budget is discontinued and merged into the general budget.

During 2017, GST was launched at midnight of 30 June 2017 in India, that marked biggest tax reform in 70 years of independence.

Heavy rains in monsoon raised level of most of the rivers causing flood in many states including Maharashtra, Gujarat and West Bengal which effected agricultural sector of the country.

### **Business Review**

Taparia Tools Limited has seen able to grow its production at the rate of 7.41%.

The first quarter of the year saw a downturn with market playing cautious due to the introduction of GST. However a recovery was marked in second quarter with a growth rate of 17.44% while third and fourth quarter saw a moderate growth of 5.39 and 0.81% respectively.

The endeavour of the company is in reducing consumption of power and water the same has been achieved by innovative techniques that result in optimum usage and minimum wastage. The company has reduced power consumption by 2.54% and 21.15% of its water consumption when compared with last year.

The company has contributed in social security with its contribution of 1.83 crore to the Employee Provident Fund Account during the financial year 2017-18.

### **SWOT ANALYSIS**

#### **Strengths**

Superior quality products  
High degree of customer satisfaction  
Strong brand image  
Pan-India coverage through dealers and wide distribution network

#### **Weakness**

Increasing demand and the requirement to increase capacity

## Opportunities

Economic growth leading to rise in demand  
Shifting customer preference towards Taparia branded products

## Threats

Competition from domestic and international companies

## OPERATIONAL AND FINANCIAL PERFORMANCE

The Company's working during the year is satisfactory. The Company's total revenue during the year are ₹ 40,781.08 lakh that represent an increase of 6.74% as compared to the sales of ₹ 38,207.58 lakh in the previous year. Profit earned after tax is ₹ 1,454.63 lakh in the current year against ₹ 1,091.45 lakh 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.

## RESEARCH AND DEVELOPMENT

Research and development is an ongoing process at Taparia Tools Limited. The Company is continuously innovating and discovering methods and concepts to improve the quality of its product and achieve operational efficiency.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

In order to ensure orderly and efficient conduct of business, Company's management has put in place necessary internal control systems commensurate with its business requirements, scale of operations and applicable statutes.

The company has created an effective internal control system, by establishing the following:

- Policies and procedures including, among others, organizational structure, job descriptions, authorization matrix;
- Segregation of duties and responsibilities;
- Authorization and approval process;
- Performance monitoring and control procedures;
- Safeguarding assets, completeness and accuracy;
- Manpower management;
- Independent internal audit function;
- Regulatory compliance and risk management.

Company has documented Standard Operating Procedures (SOPs) for procurement, human resources, sales and marketing, logistics, finance and treasury, financial reporting, compliances and other areas of its operations.

The compliance to these controls and systems including SOPs is periodically reviewed by the Internal Audit function and exceptions are reported. All material audit observations and follow up actions thereon are reported to the Audit Committee. The Committee holds regular discussions with the auditors to ensure adequacy and effectiveness of the internal control systems and monitors implementation of audit recommendations.

## **ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY:**

The company works towards creating a safe working environment for all its assets. It is committed to reducing worksite accidents and occupational illnesses by following a proactive and systematic approach to identify hazards and risks. The company takes appropriate measures to training employees and contractors to follow safety measures.

## **HUMAN RESOURCES:**

The human resource (HR) function of the Company is focused around providing its employees a meaningful and compelling environment. An environment which gives today's diverse, multi-generational and mobile workforce the confidence to realise their potential and provide world class solutions to the customers. This positive and inspiring environment fosters innovation, stimulates performance culture and motivates employees to develop themselves personally and professionally. At Taparia, everyone considers himself as a part of family and identifies himself as part of a one whole.

They treat themselves as an entrepreneur and contribute in the working of the Company with a mindset as if every gain or loss caused to the Company is his own. That's a value system that flows from the top management and is a guiding principle for all our people practices.

The need to strengthen and improve leadership pipeline is an important priority to keep up with the fast paced growth of the Company. Structured and systematic approaches to identify, assess, and develop leaders, starts at early stages of the career.

In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning.

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.

## **STATUTORY COMPLIANCE**

All declarations and compliances with respect to the applicable statutes, enactments and guidelines are submitted at every meeting of the Board of Directors of the Company. The Company Secretary who is also the Compliance Officer gives a declaration of compliance to the Board with respect to the applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India (SEBI) Regulations.

## **CONCLUSION:**

The Company has posted better results in the year 2017-2018. The Indian economy is among the fastest growing economies in the world despite the recent environment of uncertainty due to implementation of GST which followed demonetization. The various policies and incentives by Government to drive the growth in infrastructure, agriculture, education, manufacturing, construction and housing sector has resulted in an environment that has been favorable to the industry. The Company is concentrating to achieve improved brand image and launching new products with superior quality by use of advance technology to increase its turnover. The Company has also invested further in the Hand Tools business to consolidate its leadership position.

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## **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.*

## Corporate Governance Report

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

Good Corporate Governance is not an end in itself, it is the means to create confidence with stakeholders and establish business integrity for an organization. Taparia Tools has come a long way in adopting some of the key principles of Corporate Governance like transparency, fairness, disclosures and accountability and these principles have been strongly cemented in the pillars, it has been founded upon. The business strategies and operations of the Company are governed by these principles to ensure fiscal accountability, ethical corporate behavior and fairness to all stakeholders.

Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

### 2. BOARD OF DIRECTORS

#### Board Composition

As on 31<sup>st</sup> March, 2018, the Company had 12 Directors of which 2 are Executive Directors and 4 are Non-Executive and 6 are Independent Directors including two woman directors. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2018 have been made by the directors.

Independent directors are non-executive directors as defined under 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

Seven Board Meetings were held during the year ended on 31st March 2018. These were held on May 05, 2017; May 26, 2017, June 27, 2017, August 11, 2017; September 13, 2017, December 11, 2017 and February 06, 2018. 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	7	Yes	3
Shri P. N. Shah (Upto 03/10/2017)	Independent Director	4	-	6
Shri B. B. Ladda	Independent Director	4	-	-
Shri G. S. Manasawala	Independent Director	7	Yes	1

Name of the Director	Category	Meetings		Directorship in other Public Companies
		Board	AGM	
Shri Rajeev J. Mundra	Independent Director	7	-	2
Mrs. Disha N. Wadhwani	Independent Director	7	-	-
Shri Premlata Purohit	Independent Director	4	-	-
Shri Devendra Vyas	Independent Director	-	-	-
Shri Virendraa Bangur	Non-Executive Director	1	-	7
Shri J.K. Taparia	Non-Executive, Promoter Director	6	Yes	1
Shri M.P. Taparia	Non-Executive, Promoter Director	6	Yes	2
Shri D.P. Taparia	Non-Executive, Promoter Director	6	Yes	4
Shri Sivaramakrishnan	Director – Operations	6	Yes	-

### 3. Independent Directors :

The Independent Directors met on 26th May, 2017 without the presence of non-independent directors and members of the management. At this meeting, the Independent Directors inter-alia discussed the following details:

- Reviewed the performance of the non-independent directors and the board of directors as a whole.
- Reviewed the performance of the chairman of the board.
- Assessed the quality, quantity and timeliness of flow of information between the management and the board of directors.

#### Familiarization Programme for Independent Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the new Independent Directors and also has a discussion to familiarize the Independent Directors with the Company's operations. At the time of regularization of the appointment of an Independent Directors, the appointment is formalized by issuing a letter to the director, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a director of the Company. The Company also from time to time familiarizes the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

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

The performance evaluation criteria laid down for Independent Directors covers attendance and contribution of Director at Board/Committee meetings, adherence to ethical standards and code of conduct of the Company, inter-personal relations with other Directors, meaningful and constructive contribution and inputs in the Board/Committee meetings, etc.

### 4. AUDIT COMMITTEE

#### Composition of the Committee

The Audit Committee of the Company comprises of four Independent Directors, namely, a) Shri G. S. Manasawala – Chairman, b) Shri B. B. Ladda and c) Shri Rajeev J. Mundra.

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 Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013 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**

Six Meetings were held during the year – on May 05, 2017; May 26, 2017, August 11, 2017; September 13, 2017, December 11, 2017 and February 06, 2018.

Name of the Director	Designation	No. of meetings Attended
Shri G. S. Manasawala	Chairman	6
Shri P. N. Shah	Member	3
(Upto 03/10/2017)	Member	4
Shri B. B. Ladda	Member	3
Shri Rajeev J. Mundra	Member	6

**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 (Upto 03/10/2017)	Independent Director
Shri B. B. Ladda	Independent Director
Shri Rajeev. J. Mundra	Independent Director

### Meeting Details

Nomination and Remuneration Committee Meeting was held in the year under review on June 27, 2017, August 11, 2017; December 11, 2017 and February 06, 2018.

All the above Independent Directors attended the Meeting.

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

Name of the Director	Designation	No. of meetings Attended
Shri G. S. Manasawala	Chairman	1
Shri P. N. Shah (Upto 03/10/2017)	Member	1
Shri B. B. Ladda	Member	1
Shri Rajeev J. Mundra	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 (₹)	Name of the Director	Amount (₹)
Shri P. N. Shah	70,000	Mrs. Disha N. Wadhvani	75,000
Shri G. S. Manasawala	1,25,000	Shri D. P. Taparia	70,000
Shri B. B. Ladda	75,000	Shri M. P. Taparia	60,000
Shri Rajeev J. Mundra	1,25,000	Shri J. K. Taparia	60,000
Shri Virendraa Bangur	10,000	Mrs. Premlata Purohit	40,000
Shri Devendra Vyas	0		
Total Sitting Fees Paid			7,10,000

(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: ₹ 10,000/- each meeting.
- Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Independent Directors and Special Committee: ₹ 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)

<b>Name of the Director</b>	<b>Salary and Allowances</b>	<b>Perquisites</b>
Shri H. N. Taparia, Chairman and Managing Director	42.00	Nil
Shri Sivaramakrishnan, Director - Operations	18.73	0.38
Shri V. S. Datey, Company Secretary	2.88	0.22
Shri S. R. Bagad, Chief Financial Officer	10.01	0.37
Total remuneration paid	73.62	0.97

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.

<b>DETAILS OF SHAREHOLDERS’ COMPLAINTS</b>	
1. No. of Shareholders’ complaints pending as on 01-04-2017	Nil
2. No. of shareholders’ complaints received in 2017-18	03
3. No. of shareholders’ complaints disposed of during 2017-18	02
4. No. of shareholders’ complaints remaining unresolved as on 31-03-2018	01

**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 3<sup>rd</sup> January 2018, and 21<sup>st</sup> March 2018

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

Name of the Director	Designation	No. of meeting Attended
Shri D. P. Taparia	Chairman	2
Shri H. N. Taparia	Member	2
Shri Sivaramakrishnan	Member	2

**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 11th August 2017 and 6th February 2018.

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

Name of the Director	Designation	No. of meeting Attended
Shri H. N. Taparia	Chairman	2
Shri D. P. Taparia	Member	2
Shri B. B. Ladda	Member	1

**8. RISK MANAGEMENT COMMITTEE:**

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

**9. GENERAL BODY MEETINGS****Location and time where the last three Annual General Meetings were held:**

Year	Day and Date	Time	Location
2014-2015	Tuesday 29-09-2015	9.30 a.m.	Bon Vivant, Patil Park, Old Gangapur Naka, Opp. Dongre Vasti Gruha, Nashik- 422 002
2015-2016	Thursday 29-09-2016	9.30 a.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
2016-2017	Wednesday 27-09-2017	9.30 a.m.	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002

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

Date of the AGM	Number of Special Resolutions passed	Subject matter
September 29, 2015	1	Re-appointment 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.
September 29, 2016	1	Enhancing the Borrowing Powers of the Board from ₹ 80 crores to ₹ 200 crores and consent for creation of mortgage on the property for availing loan
September 27, 2017	1	<ul style="list-style-type: none"> <li>Re-appointment Shri Sivaramakrishnan (DIN 06436717) as a Whole-time Director, designated as Director - Operations of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from 3rd November 2017</li> <li>Appointment of Mrs. Premlata Purohit (DIN: 07846020) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.</li> </ul>

**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 Nomination & 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 and uploaded on web-site of the Company.

### 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 SHAREHOLDER INFORMATION

<b>a) Annual General Meeting</b>		
Day, Date and Time	:	Saturday, 29 <sup>th</sup> September, 2018 at 9.30 a.m.
Venue	:	Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002
<b>b) Financial Calendar</b>		
Financial Year Dates (2018-19)		1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Tentative Schedule for declaration of results during the financial year 2018-19	:	
First quarter ending 30 <sup>th</sup> June, 2018	:	*Within 45 days from the end of quarter
Second quarter and half year ending 30 <sup>th</sup> September, 2018	:	*Within 45 days from the end of quarter
Third quarter and nine months ending 31 <sup>st</sup> December, 2018	:	Within 45 days from the end of quarter
<b>Audited Results</b>	:	
Year ending on 31 March, 2019	:	Within 60 days from the end of the year
Annual General Meeting for the year 2018	:	September 2019

\* will be declared according to the circular no. CIR/CFD/FAC/62/2016 dated 05/07/2016 issued by SEBI.

#### c) Date of Book Closure

From 21<sup>st</sup> September, 2018 (Thursday) to 29<sup>th</sup> September, 2018 (Wednesday), inclusive of both days.

#### d) Dividend Payment Date

No Dividend for Financial Year 2017-18 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 2016-17, 2017-18 and 2018-2019.

**f) Market Price Data**

High and Low quotations of shares during the financial year 2017-18 remained fixed at ₹ 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

Email: [info@uniseq.in](mailto:info@uniseq.in)

Web Site: [www.uniseq.in](http://www.uniseq.in)

**h) Share Transfer System**

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 2018**

Sr. No.	No. of Equity Shares	Shareholders		Shareholding	
		No.	%	No.	%
1	Up to 5000	226	81.88	18712	0.62
2	5001- 10000	6	2.17	4076	0.13
3	10001- 20000	4	1.45	4400	0.15
4	20001- 30000	2	0.73	4950	0.16
5	30001- 40000	0	0.00	0	0
6	40001- 50000	0	0.00	0	0
7	50001- 100000	4	1.45	29692	0.98
8	100001 and above	34	12.32	2973920	97.96
	<b>TOTAL</b>	<b>276</b>	<b>100.00</b>	<b>3035750</b>	<b>100.00</b>

**j) Shareholding Pattern as on 31<sup>st</sup> March 2018**

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	249	551558	18.17
<b>TOTAL</b>	<b>276</b>	<b>3035750</b>	<b>100</b>

### Physical/NSDL/CDSL/Summary Report as on 31<sup>st</sup> March, 2018

Particulars	Holders	Shares	Percentage
Physical	253	1254748	41.44
NSDL	30	1319174	43.45
CDSL	20	461828	15.21
<b>TOTAL</b>	<b>303</b>	<b>3035750</b>	<b>100</b>

#### 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 initiating the process of dematerialisation of shares, the promoter and promoter group have already demated 73.57% of their shareholding.

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.

#### l) Plant Locations

- Nashik : 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:

There is no dividend declared by the company in last 10 years and no unclaimed dividend exists for any transfer to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

### 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**

**H. N. Taparia**

*Chairman and Managing Director*

(DIN: 00126774)

Mumbai,  
11<sup>th</sup> August, 2018

## 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 31st March, 2018.

For and on behalf of the Board

**H. N. Taparia**

*Chairman and Managing Director*

(DIN: 00126774)

Mumbai,  
11<sup>th</sup> August, 2018

### Certificate Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Mr. H.N. Taparia, Managing Director and Mr. S.R. Bagad, Chief Financial Officer do hereby certify to the Board that:-

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
  - i) the said statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading; and
  - ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee :
  - i) significant changes in internal control over financial reporting during the year, if any;
  - ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Taparia Tools Limited,  
**H.N. Taparia**  
*Chairman and Managing Director*  
(DIN : 00126774)

For Taparia Tools Limited,  
**S. R. Bagad**  
*Chief Financial Officer*

Mumbai,  
26<sup>th</sup> May 2018

## *Certificate on Compliance with the conditions of Corporate Governance*

To  
**The Shareholders of Taparia Tools Limited,**

We have examined the compliance of the conditions of Corporate Governance by Taparia Tools Limited ('the Company'), for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 SEBI Listing Regulations, 2015.

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

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

Place : Pune  
Date : 8<sup>th</sup> August 2018



## *Independent Auditor's Report*

To the Members of Taparia Tools Ltd.

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Taparia Tools Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Ind AS 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS 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 statements.

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 including the Ind AS, of the state of affairs of the Company as at 31 March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 43(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
  - (e) on the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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".
  - (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 note 28)
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there has been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For M M Parikh & Co.**  
**Chartered Accountants**  
**Firm Reg. No.: 107557W**

Place: Mumbai  
Date: May 26, 2018

**K.M. PARIKH**  
Partner  
Membership No: 31110

## *Annexure – A to the Auditor’s Report*

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March, 2018, we report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were observed 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) According to the information and explanations given to us, the inventories (excluding stocks with third parties and goods-in-transit) have been physically verified during the year by the management. For goods in transit in respect of purchase and sales of material, all material is substantially received or delivered until the date of issuance of this report. In respect of inventories lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Further, as informed, the discrepancies noticed on verification between the physical inventory and the book records were not material.
- (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, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder.
- (vi) According to the information and explanations given to us, 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 of the Act, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, employees’ state insurance, duty of excise sales tax, value added tax, duty of customs, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company 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, Goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, outstanding dues of octroi that have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Municipal Tax Act, 1963	Octroi Duty	4.23	1984-1986 & 1988	High Court

- (viii) According to the information and explanations given to us, based on our audit procedures and as per information and explanation given to us, the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding dues in respect of loans or borrowings from any financial institution, government or debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, 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.
- (xiv) According to the information and explanations given to us and based on our examination of the 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For M M Parikh & Co.**  
Chartered Accountants  
Firm Reg. No.: 107557W

**K.M. PARIKH**

Place: Mumbai  
Date: 26, May 2018

Partner  
Membership No: 31110

## *Annexure – B to the Auditor’s 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 Limited (“the Company”) as of 31 March, 2018 in conjunction with our audit of the 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 Act.

#### **Auditor’s 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 Act, 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 ICAI. 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March, 2018, 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 ICAI.

**For M M Parikh & Co.**  
Chartered Accountants  
Firm Reg. No.: 107557W

**K.M. PARIKH**  
Partner  
Membership No: 31110

Place: Mumbai  
Date: 26, May 2018

*BALANCE SHEET as at 31<sup>st</sup> March, 2018*

(₹ in lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	3	624.84	563.85	574.56
(b) Capital work-in-progress		116.94	4.40	-
(c) Intangible assets	4	8.39	10.63	6.11
(d) Financial assets				
Other financial assets	5	86.44	71.82	63.35
(e) Deferred Tax Asset (Net)	26	-	-	10.36
(f) Income Tax Asset (Net)	6	131.02	80.03	2.38
(g) Other non-current assets	10	992.47	1,672.67	2,323.31
<b>Total Non-Current Assets</b>		<b>1,960.10</b>	<b>2,403.40</b>	<b>2,980.07</b>
<b>Current Assets</b>				
(a) Inventories	7	7,400.84	7120.49	9,166.19
(b) Financial assets				
(i) Trade receivables	8	3618.16	2297.73	2,281.68
(ii) Cash and cash equivalents	9	1078.27	23.44	23.43
(iii) Other financial assets	5	5.94	19.67	4.66
(c) Income Tax Asset (Net)	6	-	-	-
(d) Other current assets	10	1,380.51	174.71	214.93
<b>Total Current Assets</b>		<b>13,483.72</b>	<b>9,636.04</b>	<b>11,690.89</b>
<b>Total Assets</b>		<b>15,443.82</b>	<b>12,039.44</b>	<b>14,670.96</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	11	303.58	303.58	303.58
(b) Other Equity	12	10,308.04	8,866.94	7,755.89
<b>Total Equity</b>		<b>10,611.62</b>	<b>9,170.52</b>	<b>8,059.47</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a) Financial Liabilities		-	-	-
(b) Provisions	13	281.30	253.70	275.96
(c) Deferred tax liabilities (Net)	26	6.58	18.54	-
(d) Other non-current liabilities				
<b>Total Non-Current Liabilities</b>		<b>287.88</b>	<b>272.24</b>	<b>275.96</b>

## BALANCE SHEET as at 31<sup>st</sup> March, 2018 (contd.)

(₹ in lakhs)

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Current Liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14	-	802.64	2,746.45
(ii) Trade and other payables	15	3,348.61	1250.89	3,087.89
(iii) Other financial liabilities	16	14.51	27.96	28.15
(b) Provisions	13	68.90	69.13	51.54
(c) Current tax liabilities (Net)	6	62.50	62.50	90.18
(d) Other current liabilities	17	1,049.80	383.56	331.32
<b>Total Current Liabilities</b>		<b>4,544.32</b>	<b>2,596.68</b>	<b>6,335.53</b>
<b>Total Liabilities</b>		<b>4,832.20</b>	<b>2,868.92</b>	<b>6,611.49</b>
<b>Total Equity and Liabilities</b>		<b>15,443.82</b>	<b>12,039.44</b>	<b>14,670.96</b>

### Summary of significant accounting policies 2

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors of TAPARIA TOOLS LIMITED

**For M.M. PARIKH & Co.**

Chartered Accountants  
(Firm Reg.No.107557W)

**K.M. PARIKH**

Partner  
Membership No. 31110

Mumbai: May 26, 2018

**V.S. DATEY**

Company Secretary

**S. R. BAGAD**

Chief Financial Officer

**H. N. TAPARIA**

Chairman & Managing Director  
(DIN : 00126774)

**D.P. TAPARIA**

Director  
(DIN : 00126892)



*STATEMENT OF PROFIT & LOSS for the year ended 31<sup>st</sup> March, 2018*

(₹ in lakhs)

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
<b>I Income</b>			
Revenue from Operations	18	40,781.08	38,207.58
Other income and other gains / (losses)	19	137.20	93.98
<b>Total Income</b>		<b>40,918.28</b>	<b>38,301.56</b>
<b>II Expenses</b>			
Cost of materials consumed	20	1,428.72	1,350.62
Purchases of stock-in-trade	20a	26,468.83	21,936.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20b	10.70	2,033.37
Employee benefits expense	21	2,524.28	2,370.14
Finance costs	22	12.15	130.47
Depreciation and amortisation expense	23	49.01	42.32
Other expenses	24	8,221.28	8,709.47
<b>Total expenses</b>		<b>38,714.97</b>	<b>36,573.17</b>
<b>III Profit before exceptional items and tax</b>		<b>2,203.31</b>	<b>1,728.39</b>
Add/ (Less) : Exceptional items			
<b>IV Profit / (Loss) before tax</b>		<b>2,203.31</b>	<b>1,728.39</b>
Less: Tax expense			
(1) Current tax	25	760.64	608.04
(2) Deferred tax	25	(11.96)	28.90
<b>Income Tax expenses</b>		<b>748.68</b>	<b>636.94</b>
<b>V Profit / (Loss) for the period</b>		<b>1,454.63</b>	<b>1,091.45</b>
<b>VI Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss			
(a) Gain on Remeasurements of the defined benefit plans		(20.69)	29.98
Income tax effect		7.16	(10.38)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(13.53)</b>	<b>19.60</b>
<b>Total comprehensive income for the year, net of tax (V+VI)</b>		<b>1,441.10</b>	<b>1,111.05</b>
Profit for the year attributable to:			
Earnings per equity share	27		
(1) Basic (in ₹)		47.92	35.95
(2) Diluted (in ₹)		47.92	35.95
The accompanying notes are an integral part of these Financial Statements			

As per our report of even date attached

For and on behalf of Board of Directors of TAPARIA TOOLS LIMITED

**For M.M. PARIKH & Co.**  
Chartered Accountants  
(Firm Reg.No.107557W)

**V.S. DATEY**  
Company Secretary

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

**K.M. PARIKH**  
Partner  
Membership No. 31110

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

**D.P. TAPARIA**  
Director  
(DIN : 00126892)

Mumbai: May 26, 2018

*STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018*

<b>a. Equity share capital</b>	No. of shares	(₹ In Lakhs)
<b>Balance at April 1, 2016</b>	3,035,750	<b>303.58</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2017</b>	3,035,750	<b>303.58</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2018</b>	3,035,750	<b>303.58</b>

	<b>b. Other Equity</b>				
	(₹ In Lakhs)				
	<b>Attributable to owners</b>				
	<b>Reserves and surplus</b>				
	<b>Capital reserve</b>	<b>General reserve</b>	<b>Securities Premium Reserve</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance as at 1st April 2016</b>	45.00	1,323.54	50.00	6,337.35	7,755.89
Profit for the year				1,091.45	1,091.45
Other comprehensive income for the year, net of income tax				19.60	19.60
<b>Total comprehensive income for the year</b>	<b>45.00</b>	<b>1,323.54</b>	<b>50.00</b>	<b>7,448.40</b>	<b>8,866.94</b>
Transfer from retained earnings to general reserve		114.21		(114.21)	-
<b>Balance as at March 31, 2017</b>	<b>45.00</b>	<b>1,437.75</b>	<b>50.00</b>	<b>7,334.19</b>	<b>8,866.94</b>
Profit for the year				1,454.63	1,454.63
Other comprehensive income for the year, net of income tax				(13.53)	(13.53)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,441.10</b>	<b>1,441.10</b>
<b>Balance as at March 31, 2018</b>	<b>45.00</b>	<b>1,437.75</b>	<b>50.00</b>	<b>8,775.29</b>	<b>10,308.04</b>

The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached

**For and on behalf of Board of Directors of TAPARIA TOOLS LIMITED**

**For M.M. PARIKH & Co.**  
Chartered Accountants  
(Firm Reg.No.107557W)

**V.S. DATEY**  
Company Secretary

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

**K.M. PARIKH**  
Partner  
Membership No. 31110

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

**D.P. TAPARIA**  
Director  
(DIN : 00126892)

Mumbai: May 26, 2018

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018***1. Reporting entity**

Taparia Tools Ltd (the 'Company') is a Company domiciled in India, with its registered office situated at 52-B, MIDC Satpur, Nashik - 422007. The equity shares of the company are listed on the Bombay stock exchange (BSE) in India. The Company is primarily involved in manufacturing and trading of hand tools.

The manufacturing facility of the Company is located at Nashik and Goa.

**1.1 Basis of preparation***a. Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 36.

The financial statements were authorised for issue by the Company's Board of Directors on 26th May, 2018.

Details of the Company's accounting policies are included in Note 2.

*b. Functional and presentation currency*

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest lakhs, unless otherwise indicated.

*c. Basis of measurement*

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets/liabilities measured at fair value.

*d. Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 31 – lease; whether an arrangement contains a lease and;
- Note 31 – lease classification

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 3 – useful life of Property, plant and equipment

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

- Note 4– useful life of Intangible assets
- Note 32 – employee benefit plans
- Note 25 – Income taxes\
- Note 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

*e. Measurement of fair values*

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**2. Significant accounting policies**

*a. Property, plant and equipment*

**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018***iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate useful life	Useful life as per Schedule II of the Companies Act, 2013
Building	30 Years	30 Years
Plant and machinery (including moulds)	15 years	15 years
Office equipment's	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Computer server	3 years	6 years
Vehicles- Motor car	8 years	8 years
Electric fittings	10 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

**b. Intangible assets****i. Acquired intangible**

Intangible assets comprise purchased technical know how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

**iii. Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know-how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**c. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost includes purchase price, duties, transport & handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost remains as follows:

- a) Raw material, packing material: Moving weighted average cost.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

- b) Stores & stores: Moving weighted average cost.
- c) Work-in-progress: Cost of input plus overhead up to the stage of completion.
- d) Finished Goods: Cost of input plus appropriate overhead.
- e) Scrap: at net realisable value.

*d. Impairment*

**Impairment of non-financial assets**

- a) An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.
- b) Recoverable value is the higher of the 'Value in Use' and fair value as reduced by cost of disposal.
- c) Test of impairment of PPE, investment in subsidiaries / associates / joint venture and goodwill are undertaken under Cash Generating Unit (CGU) concept. For Intangible Assets and Investment Properties it is undertaken in asset specific context.
- d) Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para 12 of Ind AS-36.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

*e. Employee benefits*

**i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**iv. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

*f. Provisions and contingent liabilities*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

*g. Leases*

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership been classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

*h. Borrowing costs*

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

*i. Revenue*

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

*j. Foreign currency transactions*

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

*k. Recognition of interest income or expense*

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

*l. Government grant*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

*m. Income tax*

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.



*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

## i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

## ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis

n. *Earnings per share*

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

o. *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

**Amendment to Ind AS 7**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

### p. Financial instruments

#### i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### ii. Classification and subsequent measurement

##### Financial assets

##### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### iii. Derecognition

##### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:

- 12 months expected credit losses, or
- Lifetime expected credit losses

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

*q. Ind AS issued but not effective*

Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified the Ind AS 115, Revenue from Contract with Customers. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This standard will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect on adoption of Ind AS 115 will not be material.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. In which, it has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This amendment will come into force from April 1, 2018. As per the evaluation of the management of the company, the effect of this amendment will not be material.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**3. Property, Plant and Equipment**

Tangible Assets										(₹ in lakhs)
Gross Block	Freehold Land	Lease hold Land	Buildings	Plant and Machinery	Electrical Installation & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
As at 1st April 2016	20.49	64.53	612.25	2,034.18	104.09	34.33	61.22	56.26	80.55	3,067.90
Additions	-	-	-	10.00	-	1.14	1.18	-	17.56	29.88
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	20.49	64.53	612.25	2,044.18	104.09	35.47	62.40	56.26	98.11	3,097.78
Additions	0.15	-	8.24	92.28	0.09	4.67	2.07	-	0.87	108.37
Deletions	-	-	-	(17.07)	-	(4.08)	-	(2.29)	-	(23.44)
As at 31 March 2018	20.64	64.53	620.49	2,119.39	104.18	36.06	64.47	53.97	98.98	3,182.71
<b>Depreciation</b>										
As at 1st April 2016	-	17.16	411.74	1,797.28	92.07	27.13	45.23	28.71	74.02	2,493.34
Charge for the year	-	-	4.49	19.10	1.55	3.22	3.47	4.52	4.24	40.59
<b>Disposals</b>										
As at 31 March 2017	-	17.16	416.23	1,816.38	93.62	30.35	48.70	33.23	78.26	2,533.93
Charge for the year	-	1.16	5.26	21.73	1.55	1.64	3.54	4.60	7.28	46.76
<b>Disposals</b>	-	-	-	(16.75)	-	(3.88)	-	(2.19)	-	(22.82)
As at 31 March 2018	-	18.32	421.49	1,821.36	95.17	28.11	52.24	35.64	85.54	2,557.87
<b>Carrying Amount</b>										
<b>As at 1st April 2016</b>	<b>20.49</b>	<b>47.37</b>	<b>200.51</b>	<b>236.90</b>	<b>12.02</b>	<b>7.20</b>	<b>15.99</b>	<b>27.55</b>	<b>6.53</b>	<b>574.56</b>
<b>As at 31 March 2017</b>	<b>20.49</b>	<b>47.37</b>	<b>196.02</b>	<b>227.80</b>	<b>10.47</b>	<b>5.12</b>	<b>13.70</b>	<b>23.03</b>	<b>19.85</b>	<b>563.85</b>
<b>As at 31 March 2018</b>	<b>20.64</b>	<b>46.21</b>	<b>199.00</b>	<b>298.03</b>	<b>9.01</b>	<b>7.95</b>	<b>12.23</b>	<b>18.33</b>	<b>13.44</b>	<b>624.84</b>

(₹ in lakhs)

**4 Intangible Assets**

Gross Block	Software
As at 1st April 2016	48.97
Addition	6.25
<b>As at 31 March 2017</b>	<b>55.22</b>
Addition	-
<b>As at 31 March 2018</b>	<b>55.22</b>
<b>Amortisation</b>	
As at 1st April 2016	42.86
Charge for the year	1.73
<b>As at 31 March 2017</b>	<b>44.59</b>
Charge for the year	2.24
<b>As at 31 March 2018</b>	<b>46.83</b>
<b>Net Block</b>	
<b>As at 1st April 2016</b>	<b>6.11</b>
<b>As at 31 March 2017</b>	<b>10.63</b>
<b>As at 31 March 2018</b>	<b>8.39</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

## 5. Other Financial assets

(₹ in lakhs)

	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposits	86.44	71.82	63.35	-	-	-
Interest Receivable	-	-	-	3.36	16.81	2.58
Outstanding Income	-	-	-	2.58	2.86	2.08
<b>Total</b>	<b>86.44</b>	<b>71.82</b>	<b>63.35</b>	<b>5.94</b>	<b>19.67</b>	<b>4.66</b>

## 6. Tax assets and liabilities

	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Income tax assets (Net)</b>						
Advance income-tax (Net of provision of taxation)	131.02	80.03	2.38	-	-	-
<b>Total</b>	<b>131.02</b>	<b>80.03</b>	<b>2.38</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income tax Liabilities</b>						
Provision for Taxation (Net of Advance Tax)	-	-	-	62.50	62.50	90.18
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.50</b>	<b>62.50</b>	<b>90.18</b>

## 7. Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw Materials	719.52	443.88	471.96
Work-in-Progress	1,029.50	983.80	814.57
Finished Goods	182.92	424.34	341.75
Stock-in-Trade (Goods acquired for Trading )	5,109.08	4936.33	7,211.26
Stores and Spares	278.07	273.62	267.84
Others :			
Components	59.56	48.60	38.63
Scrap	22.19	9.92	20.18
<b>Total</b>	<b>7,400.84</b>	<b>7,120.49</b>	<b>9,166.19</b>
<b>8. Trade receivables</b>			
Unsecured, considered good	3,618.16	2,297.73	2,281.68
<b>Total</b>	<b>3,618.16</b>	<b>2,297.73</b>	<b>2,281.68</b>
<b>9. Cash and cash equivalents</b>			
Balances with Banks in current accounts	1,074.33	16.89	16.00
Cash on hand	3.94	6.55	7.43
<b>Total</b>	<b>1,078.27</b>	<b>23.44</b>	<b>23.43</b>

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**10. Other Assets**

(₹ in lakhs)

	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance to Employees	-	-	-	5.33	5.43	5.97
Advance to Suppliers	-	-	-	295.89	22.96	41.59
Prepaid expenses	-	-	-	28.91	25.89	20.92
Balance with statutory/ government authorities*	-	-	-	7.01	87.49	81.94
M.V.A.T. Receivable	957.30	1612.34	2,262.98	-	-	-
Special Additional Duty Receivable	35.17	60.33	60.33	-	-	-
Other Receivables	-	-	-	1,043.37	32.94	64.51
* Service Tax, Cenvat, etc						
<b>Total</b>	<b>992.47</b>	<b>1,672.67</b>	<b>2,323.31</b>	<b>1,380.51</b>	<b>174.71</b>	<b>214.93</b>

**11. Equity Share Capital**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity share capital	303.58	303.58	303.58
<b>Total</b>	<b>303.58</b>	<b>303.58</b>	<b>303.58</b>
<b>Authorised Share capital :</b>			
50,00,000 Equity Shares of ₹10/- Each	500.00	500.00	500.00
<b>Issued and subscribed capital comprises of:</b>			
30,35,750 Ordinary (Equity) Shares of ₹ 10/- Each fully paid-up	303.58	303.58	303.58
	<b>303.58</b>	<b>303.58</b>	<b>303.58</b>

**11.1 Fully paid equity shares**

(₹ in lakhs)

Particulars	Number of shares	Share Capital
Balance at April 1, 2016	3,035,750	303.58
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2017	3,035,750	303.58
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	3,035,750	303.58

**Rights, preferences and restrictions attached to the equity shares:**

The company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holding of equity shares is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% of total number of equity shares, including amount (Refer Note 11.2 below)

The Company has received an Interim Order from SEBI on 20/05/2015 for the alleged Non-Compliance of the Minimum Public Shareholding. The Company is of the view that there has been no violation with reference to Promoter Shareholding. The said stand of the Company has been intimated to SEBI vide Company's letter dated 14/10/2015. Personal hearing on same is to be scheduled soon by SEBI.

As directed in the Order, Company has regularly submitted compliance reports on quarterly basis to BSE.

**11.2 Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>						
<b>Names of shareholders:</b>						
1. Shri Harnarayan Taparia	364,650	12.01%	364,650	12.01%	364,650	12.01%
2. Veer Enterprises Ltd	274,288	9.04%	274,288	9.04%	274,288	9.04%
3. Mrs. Rajdulari Devi Taparia	181,057	5.96%	181,057	5.96%	181,057	5.96%
<b>Total</b>	<b>819,995</b>	<b>27.01%</b>	<b>819,995</b>	<b>27.01%</b>	<b>819,995</b>	<b>27.01%</b>

**12. Other equity**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve			
Balance at beginning of the year	1,437.75	1,323.54	1,195.14
Add/ (less): Transferred from statement of Profit & Loss	-	114.21	128.40
<b>Balance at end of the year</b>	<b>1,437.75</b>	<b>1,437.75</b>	<b>1,323.54</b>
<b>Retained Earnings</b>			
Balance at beginning of year	7,334.19	6,337.35	5,249.61
Add/ (less): Profit/ (loss) for the year	1,454.63	1,091.45	1,265.21
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	(13.53)	19.60	-
Add/ (less): Transfer to General Reserve	-	(114.21)	(128.40)
Add/ (less): Transfer from Differed tax	-	-	(49.07)
<b>Balance at end of the year</b>	<b>8,775.29</b>	<b>7,334.19</b>	<b>6,337.35</b>
Capital Reserve			
Balance at beginning of the year	45.00	45.00	45.00
<b>Balance at end of the year</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
Securities Premium Reserve			
Balance at beginning of the year	50.00	50.00	50.00
<b>Balance at end of the year</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>Total</b>	<b>10,308.04</b>	<b>8,866.94</b>	<b>7,755.89</b>

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**13. Provisions**

(₹ in lakhs)

Particulars	Non Current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Leave Encashment	216.25	174.05	171.33	19.30	22.34	-
Group Gratuity	65.05	37.91	44.29	49.60	46.79	51.54
Other provisions	-	41.74	60.34	-	-	-
<b>Total</b>	<b>281.30</b>	<b>253.70</b>	<b>275.96</b>	<b>68.90</b>	<b>69.13</b>	<b>51.54</b>

**14. Borrowings**

(₹ in lakhs)

	Short Term		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Secured</b>			
Loans repayable on demand from Banks (refer note below)	-	-	-
HDFC Bank Ltd.	-	556.03	1,793.13
ICICI Bank Ltd.	-	246.61	953.32
<b>Total</b>	<b>-</b>	<b>802.64</b>	<b>2,746.45</b>

- Loans from the HDFC bank are secured by way of hypothecation first and exclusive charge 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.
- Loans from the ICICI bank are secured by way of hypothecation first and exclusive charge 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.

**15. Trade Payables**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of micro small enterprise (Refer note below)	-	-	-
Total outstanding dues of other than micro small enterprise	3,348.61	1,250.89	3,087.89
<b>Total</b>	<b>3,348.61</b>	<b>1,250.89</b>	<b>3,087.89</b>

**Note:**

There are no material dues owed by the company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company and has been relied upon by the auditors.

**16. Other Financial Liabilities**

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Outstanding Liabilities for Employees	14.51	27.96	28.15
<b>Total</b>	<b>14.51</b>	<b>27.96</b>	<b>28.15</b>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

## 17. Other Current Liabilities

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	25.93	78.50	27.69
Statutory liabilities (TDS,VAT,CST etc.)	632.43	65.07	49.29
Outstanding Liabilities	391.44	239.99	254.34
<b>Total</b>	<b>1,049.80</b>	<b>383.56</b>	<b>331.32</b>

## 18. Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of product	40,676.62	38,121.81
Other operating revenues		
Scrap Sales	104.46	85.04
Other (DEPB Licence Incentive)	-	0.73
<b>Total</b>	<b>40,781.08</b>	<b>38,207.58</b>

## 19. Other Income and other gains/ (losses)

(₹ in lakhs)

Other Income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	20.85	33.61
Others	115.14	59.65
<b>Total A</b>	<b>135.99</b>	<b>93.26</b>
<b>Other gains/(losses)</b>		
Net foreign exchange gains/(losses)	1.21	0.72
<b>Total B</b>	<b>1.21</b>	<b>0.72</b>
<b>Total (A+B)</b>	<b>137.20</b>	<b>93.98</b>

## 20. Cost of materials consumed

(₹ in lakhs)

Raw Material	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	443.88	471.96
Add: Purchases	1,704.36	1,322.54
	2,148.24	1,794.50
Less: Closing stock	719.52	443.88
<b>Total</b>	<b>1,428.72</b>	<b>1,350.62</b>

## 20a. Purchase of stock-in-trade

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of traded products	26,468.83	21,936.78
<b>Total</b>	<b>26,468.83</b>	<b>21,936.78</b>

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**20b. Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>OPENING STOCK:</b>		
Finished Goods	424.34	341.75
Work-in-Process	983.80	814.57
Scrap	9.92	20.18
Trading Items Purchase	4,936.33	7,211.26
	<b>6,354.39</b>	<b>8,387.76</b>
<b>LESS : CLOSING STOCK:</b>		
Finished Goods	182.92	424.34
Work-in-Process	1,029.50	983.80
Scrap	22.19	9.92
Trading Items Purchase	5,109.08	4,936.33
	<b>6,343.69</b>	<b>6,354.39</b>
<b>Total</b>	<b>10.70</b>	<b>2,033.37</b>

**21. Employee benefits expense**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages	2,284.10	2149.18
Contribution to provident and other funds	181.30	162.11
Staff Welfare Expenses	58.88	58.85
<b>Total</b>	<b>2,524.28</b>	<b>2,370.14</b>

**22. Finance costs**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on bank overdrafts	3.01	130.39
Other borrowing costs	9.14	0.08
<b>Total</b>	<b>12.15</b>	<b>130.47</b>

**23. Depreciation and amortisation expense**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	49.01	40.59
Amortisation of intangible assets	-	1.73
<b>Total</b>	<b>49.01</b>	<b>42.32</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

**24. Other expenses**

(₹ in lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Manufacturing Expenses:</b>		
Excise Duty	239.88	991.51
Consumption of stores and Spare Parts	959.46	733.06
Power and Fuel	540.67	528.03
Water Charges	8.06	7.00
Repairs to Buildings	17.80	11.69
Repairs to Machinery	50.23	31.49
Labour Charges	754.10	658.32
Freight & Carriage	82.45	63.14
Other Manufacturing Expenses	773.97	846.79
<b>Other Administrative Expenses:</b>		
Rent	63.30	54.13
Rates & Taxes	129.84	417.73
Travelling & Conveyance	39.02	43.22
Insurance	25.61	22.93
Professional & Legal Expenses	90.24	108.43
Directors' Sitting Fees	7.10	3.80
Repairs to Others	5.92	5.30
Payment to Auditors (Refer details Below)	6.62	5.75
Printing & Stationery	18.17	12.14
Bad Debts Written Off	1.55	0.08
CSR Expenditure	34.17	30.43
Loss on Sale of Assets	-	0.40
Miscellaneous Expenses	91.21	111.83
<b>Selling &amp; Distribution Expenses :</b>		
Forwarding Expenses	597.87	532.64
Advertising/Sales Promotion Expenses and Incentive	849.51	888.64
Selling Commission	2,834.53	2,600.99
<b>Total</b>	<b>8,221.28</b>	<b>8,709.47</b>

**Payments to auditors**

(₹ in lakhs)

As auditor		
Audit fee	4.50	4.00
Tax audit fee	1.20	0.60
<b>In other capacity</b>	-	
For other services	0.20	0.20
For reimbursement of expenses	0.72	0.95
<b>Total</b>	<b>6.62</b>	<b>5.75</b>

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**25 Tax expense**

**(a) Amounts recognised in profit and loss**

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax	760.64	608.04
Deferred income tax liability / (asset), net		
Deferred tax expense	(11.96)	28.90
Tax expense for the year	748.68	636.94

**(b) Amounts recognised in other comprehensive income**

(₹ in lakhs)

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(20.69)	7.16	(13.53)	29.98	(10.38)	19.60
	(20.69)	7.16	(13.53)	29.98	(10.38)	19.60

**(c) Reconciliation of effective tax rate**

(₹ in lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Profit before tax</b>	2,203.31	1,728.39
<b>Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)</b>	762.52	598.16
Tax effect of amounts which are not deductible in calculating taxable income:		
On account of disallowance/(allowance) of expenses	13.53	22.37
On account of permanent difference	(20.20)	6.03
Tax effect on items considered under OCI	(7.17)	10.38
<b>Tax Expenses Recognised in the Statement of profit and Loss</b>	<b>748.68</b>	<b>636.94</b>
<b>Effective Tax Rate</b>	<b>33.98%</b>	<b>36.85%</b>

The Company's consolidated weighted average tax rates for the years ended March 31, 2018 and 2017 were 34.608% and 34.608%, respectively. Income tax expense was ₹ 760.64 Lakhs for the year ended March 31, 2018, as compared to income tax expense of ₹ 608.04 Lakhs for the year ended March 31, 2017.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

## 26 Deferred Tax

## (d) Movement in deferred tax balances

(₹ in lakhs)

							March 31, 2018		
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other - Utilised against tax payable	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset (Liabilities)</b>									
Property, plant and equipment	-						-	-	-
Other - Depreciation on Transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful life	(86.50)	(9.40)					(95.90)	-	(95.90)
Others - Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	67.96	21.36					89.32	89.32	-
<b>Tax assets (Liabilities)</b>	<b>(18.54)</b>	<b>11.96</b>	-	-	-	-	<b>(6.58)</b>	<b>89.32</b>	<b>(95.90)</b>
Set off tax									
<b>Net tax assets (Liabilities)</b>	<b>(18.54)</b>	<b>11.96</b>	-	-	-	-	<b>(6.58)</b>	<b>89.32</b>	<b>(95.90)</b>

## (e) Movement in deferred tax balances

							March 31, 2017		
	Net balance April 1, 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Acquired in business combinations	Other - Utilised against tax payable	Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset (Liabilities)</b>									
Property, plant and equipment							-	-	-
Other - Depreciation on Transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful life	(80.14)	(6.36)					(86.50)	-	(86.50)
Others - Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	90.50	(22.54)					67.96	67.96	-
<b>Tax assets (Liabilities)</b>	<b>10.36</b>	<b>(28.90)</b>	-	-	-	-	<b>(18.54)</b>	<b>67.96</b>	<b>(86.50)</b>
Set off tax									
<b>Net tax assets (Liabilities)</b>	<b>10.36</b>	<b>(28.90)</b>	-	-	-	-	<b>(18.54)</b>	<b>67.96</b>	<b>(86.50)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

### 27 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	(₹ in lakhs)	
	March 31, 2018	March 31, 2017
Profit attributable to equity holders:	1,454.63	1,091.45
<b>Profit attributable to equity holders of the parent for basic earnings</b>	<b>1,454.63</b>	<b>1,091.45</b>

### ii. Weighted average number of ordinary shares

	March 31, 2018	March 31, 2017
Issued ordinary shares	3,035,750	3,035,750
<b>Weighted average number of shares at March 31 for basic EPS</b>	<b>3,035,750</b>	<b>3,035,750</b>

### Basic and Diluted earnings per share

	March 31, 2018	March 31, 2017
<b>Basic earnings per share</b>	<b>47.92</b>	<b>35.95</b>
<b>Diluted earnings per share</b>	<b>47.92</b>	<b>35.95</b>

### 28. Contingent liability and commitments

	As at 31.3.2018	As at 31.3.2017
Contingent Liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as Debts are in respect of labour matters	86.44	75.17
Constrained Octroi Duty	4.23	4.91
	<b>90.67</b>	<b>80.08</b>

### 29 Commitments (to the extent not provided for)

Estimated amount of contracts remaining to be executed on Capital accounts and not provided for amounting is ₹ 121.59 Lakhs. (Previous year ₹ 12.08 Lakhs/-).

30 The Company was set up with the objective of manufacturing Handtools business segment. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company.

31 In accordance with Accounting Standard on Leases (IND AS-17) disclosures in respect of Leases are made below:

The Company has taken certain office/factory premises on operating lease basis (cancellable leases). Such leases are generally with the option of (i) renewal against increase in rent and/or (ii) premature termination of agreement. Hence, the disclosure requirement of Ind AS 17 showing minimum lease payment for less than 1 year between more than 1 year and less than 5 year, and more than 5 years is not applicable. Lease payments in respect of such leases recognized in statement of Profit & Loss ₹ 63.30 lakhs (previous year ₹ 54.13 lakhs).

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

**32. Employee benefit obligation**

(₹ in lakhs)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Compensated absences	216.25	19.30	174.05	22.34
Gratuity	65.05	49.60	37.91	46.79
<b>Total</b>	<b>281.30</b>	<b>68.90</b>	<b>211.96</b>	<b>69.13</b>

**(i) Defined benefit plan - Gratuity**

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded plan.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Present value of obligation as at the beginning of the year</b>	648.08	732.37
Current service cost	33.02	28.56
Interest expense	48.55	55.37
Past Service Cost	4.57	-
<b>Total amount recognised in profit or loss</b>	<b>86.14</b>	<b>83.93</b>
Remeasurements		
(Gain)/loss from change in financial assumptions	(19.57)	48.46
Experience (gains)/losses	39.64	(78.44)
<b>Total amount recognised in other comprehensive income</b>	<b>20.07</b>	<b>(29.98)</b>
Benefit payments	(114.89)	(138.24)
<b>Present value of obligation as at the end of the year</b>	<b>639.40</b>	<b>648.08</b>

**Significant estimates: actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.51%	7.56%	7.56%
Salary growth rate	10.80%	9.80%	9.80%
Retirement age	60 years	60 years	60 years
Withdrawal rates	2.00%	2.00%	2.00%
Weighted average duration of defined benefit obligation	10	9	9

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality (2006-08) Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in lakhs)

	Year ended 31 March 2018
Discount rate (0.50% increase)	(4,817,019)
Discount rate (0.50% decrease)	5,534,745
Future salary growth (0.50% increase)	5,032,429
Future salary growth (0.50% decrease)	(4,539,991)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (ii) Defined contribution plan

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the specified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 64,63,916 (31 March 2017: ₹ 12,32,093).

### 33. Corporate Social Responsibility

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹34.17 Lakhs (previous year ₹ 30.43 Lakhs) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the current and previous years:

(₹ in lakhs)

Particulars	31-Mar-18	31-Mar-17
(a) Gross amount required to be spent by the company during the year	34.48	35.31
(b) Amount spent other than for construction/ acquisition of any asset	34.17	30.43
(c) Amount accrued and not spent	0.31	4.88

**Details required under IND AS 24 on the "Related Party Disclosures"** - referred in Note no. 34 forming integral part of financial statement:

### Name of related Party and nature of relationship where control exists are as under :

Sr No.	Name of the Related Party	Relationship	Amount (₹ In Lakhs)	Nature of Payment
1	Mr. H.N. Taparia	Chairman & Managing Director	42.00	Salary
2	Mr. Sivaramakrishnan	Director-Operations	18.90	Salary
3	Mr. V.S. Datey	Company Secretary	2.88	Salary
4	Mr. S.R. Bagad	Chief Financial Officer	10.16	Salary
<b>Total</b>			<b>73.94</b>	

(All amounts are in Indian Rupees, unless otherwise stated)

### 35. Financial Instrument - Accounting classifications and fair values measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

2. Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowance are taken into the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which used inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels of in the fair vale hierarchy :

As at 31 March 2018				(₹ in lakhs)		
	Carrying amount			Fair value		
	Financial assets - amortised cost	Financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets not measured at fair value</b>						
Trade receivables	3,618.16	-	3,618.16	-	-	-
Cash and cash equivalents	1,078.27	-	1,078.27	-	-	-
Other financial assets	5.94	-	5.94	-	-	-
	<b>4,702.37</b>	<b>-</b>	<b>4,702.37</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>						
Trade payables	-	3,348.61	3,348.61	-	-	-
Other financial liabilities	-	14.51	14.51	-	-	-
	<b>-</b>	<b>3,363.12</b>	<b>3,363.12</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

As at 31 March 2017				(₹ in lakhs)		
	Carrying amount			Fair value		
	Financial assets - amortised cost	Financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets not measured at fair value</b>						
Trade receivables	2,297.73	-	2,297.73	-	-	-
Cash and cash equivalents	23.44	-	23.44	-	-	-
Other financial assets	19.67	-	19.67	-	-	-
	<b>2,340.84</b>	<b>-</b>	<b>2,340.84</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings	-	802.64	802.64	-	-	-
Trade payables	-	1,250.89	1,250.89	-	-	-
Other financial liabilities	-	27.96	27.96	-	-	-
	<b>-</b>	<b>2,081.49</b>	<b>2,081.49</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

### As at 1 April 2016

(₹ in lakhs)

	Carrying amount			Fair value		
	Financial assets - amortised cost	Financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets not measured at fair value</b>						
Trade receivables	2,281.68	-	2,281.68	-	-	-
Cash and cash equivalents	23.43	-	23.43	-	-	-
Other financial assets	4.66	-	4.66	-	-	-
	<b>2,309.77</b>	<b>-</b>	<b>2,309.77</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities not measured at fair value</b>						
Borrowings	-	2,746.45	2,746.45	-	-	-
Trade payables	-	3,087.89	3,087.89	-	-	-
Other financial liabilities	-	28.15	28.15	-	-	-
	<b>-</b>	<b>5,862.49</b>	<b>5,862.49</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

### Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments :

- Credit risk
- Liquidity risk
- Market risk
- Interest risk

### Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conducts yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

#### i) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The company generally doesn't have collateral.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables	3,618.16	2,297.73	2,281.68
Cash and cash equivalents	1,078.27	23.44	23.43
Other financial assets	5.94	19.67	4.66

**Trade receivables**

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. In addition, a large number of minor receivables are grouped into homogenous group and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 8. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

**Bank balances and deposits with banks**

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**As at 31 March 2018**

(₹ in lakhs)

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade payables	3,348.61	3,348.61	3,348.61	-	-	-	-
Other financial liabilities	14.51	14.51	14.51	-	-	-	-
	<b>3,363.12</b>	<b>3,363.12</b>	<b>3,363.12</b>	-	-	-	-

**As at 31 March 2017**

(₹ in lakhs)

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	802.64	802.64	802.64	-	-	-	-
Trade payables	1,250.89	1,250.89	1,250.89	-	-	-	-
Other financial liabilities	27.96	27.96	27.96	-	-	-	-
	<b>2,081.49</b>	<b>2,081.49</b>	<b>2,081.49</b>	-	-	-	-

**As at 1 April 2016**

(₹ in lakhs)

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	2,746.45	2,746.45	2,746.45	-	-	-	-
Trade payables	3,087.89	3,087.89	3,087.89	-	-	-	-
Other financial liabilities	28.15	28.15	28.15	-	-	-	-
	<b>5,862.49</b>	<b>5,862.49</b>	<b>5,862.49</b>	-	-	-	-

**iii) Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowing.

The company manages market risk through a risk management committee engaged in, inter alia, evaluation and identification of risk factors with the object of governing/mitigation them accordingly to company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments.

**Currency risk**

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. However the Company is not exposed to foreign currency fluctuation between the foreign currency and Indian Rupees.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018***iv) Interest risk**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows:

Particulars	(₹ in lakhs)		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Fixed rate instruments</b>			
Financial assets			
Deposit with banks	1,074.33	16.89	16.00
<b>Total</b>	<b>1,074.33</b>	<b>16.89</b>	<b>16.00</b>
<b>Variable-rate instruments</b>			
Financial liabilities			
Borrowings	-	802.64	2,746.45
<b>Total</b>	<b>-</b>	<b>802.64</b>	<b>2,746.45</b>

**Cash flow sensitivity analysis for variable-rate instruments**

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	(₹ in lakhs)	
	Profit or loss	
31 March 2018		
Variable-rate instruments	-	
<b>Cash flow sensitivity</b>	<b>-</b>	
31 March 2017		
Variable-rate instruments	(8.00)	
<b>Cash flow sensitivity</b>	<b>(8.00)</b>	
<b>Total</b>	<b>(8.00)</b>	

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

**36. Explanation of transition to Ind AS**

These financial statements prepared in accordance with Ind AS for the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance.

*NOTES TO THE FINANCIAL STATEMENTS for the year ended March 31, 2018*

**Exemptions applied**

Ind AS 101 allows first time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

**1) Property plant and equipment, and intangible assets**

As per Ind AS 101 entity elected carrying values of all of its property, plant and equipment, intangible assets and investment property as at the date of transition to Ind AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

**Estimates**

The estimates at 1 April 2016 and as at 31 March 2017 are consistent with those made for the same dates in accordance with India GAAP.

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

**Ind AS 101 Reconciliations**

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

(₹ in lakhs)

Particulars	As at 31 March 2017	As at 1 April 2016
<b>Equity as per Indian GAAP</b>	9,250.64	8,108.53
Adjustments:		
Deferred Tax on Ind AS Adjustment	80.12	(49.08)
<b>Equity as per Ind AS</b>	<b>9,170.52</b>	<b>8,059.45</b>

(₹ in lakhs)

Particulars	As at 31 March 2017
<b>Net Profit as per previous GAAP</b>	1,142.10
Actuarial loss on employee defined benefit plan recognised in OCI	(29.97)
Change in current tax in the year ended on Mar 2017	10.37
Differed tax on IND AS adjustment	(31.05)
<b>Net Profit as per previous Ind AS</b>	<b>1,091.45</b>

**Note:**

Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

**Revaluation reserve:**

Under the Indian GAAP the company has revalued the property, plant and equipment and was carrying the revaluation reserve in the financial statements. During the transition to Ind AS the company has elected to carry IGAAP carrying amount as deemed cost of property, plant and equipment at the date of transition to Ind AS, hence an increase of ₹ 99.27 Lakhs (net of taxes) was transferred from revaluation reserve to retained earning.

**Defined benefit liabilities:**

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit & loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced by ₹ 29.98 Lakhs and remeasurement gains/losses on defined benefit plans of ₹ 19.60 Lakhs (net of tax of ₹10.38 Lakhs) have been recognised in the OCI.

**Deferred tax:**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings. On the date of transition, the net impact on deferred tax liabilities is of ₹ 49.08 Lakhs (deferred tax asset in 31 March 2017: ₹ 80.12 Lakhs).

**Statement of cash flows:**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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As per our report of even date attached

**For and on behalf of Board of Directors of TAPARIA TOOLS LIMITED**

**For M.M. PARIKH & Co.**

Chartered Accountants  
(Firm Reg.No.107557W)

**K.M. PARIKH**

Partner  
Membership No. 31110

Mumbai: May 26, 2018

**V.S. DATEY**

Company Secretary

**S. R. BAGAD**

Chief Financial Officer

**H. N. TAPARIA**

Chairman & Managing Director  
(DIN : 00126774)

**D.P. TAPARIA**

Director  
(DIN : 00126892)

## *CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March 2018*

(₹ in Lakhs)

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>A Cash Flow from Operating activities</b>		
1 Net Profit Before Tax	2,203.31	1,728.39
<b>2 Adjusted for :</b>		
Depreciation	49.01	42.32
Loss on Sale of Fixed Assets	(7.15)	-
Interest Income	(20.85)	-
Dividend Received on Mutual Fund	(77.45)	-
Sundry Credit Balance Written Off	(9.90)	2.95
Bad Debts written off	1.55	0.08
Finance Cost	12.15	130.47
	(52.64)	175.82
<b>3 Operating Profit before Working Capital Changes (1+2)</b>	<b>2,150.67</b>	<b>1,904.21</b>
<b>4 Moments in Working Capital :</b>		
Decrease/(Increase) in Inventories	(280.34)	2,045.71
Decrease/(Increase) in Trade Receivables	(1,321.98)	(16.15)
Decrease/(Increase) in Loans and Other Financial Assets	(14.35)	572.50
Decrease/(Increase) in Other Assets	(525.59)	25.21
(Decrease)/Increase in Trade Payable	2,107.62	(1,837.01)
(Decrease)/Increase in Other Current Liabilities	(13.45)	43.48
(Decrease)/Increase in Other Liabilities & Provisions	687.25	(4.73)
<b>Change in Working Capital</b>	<b>639.16</b>	<b>829.01</b>
<b>5 Cash Generated from Operations (3+4)</b>	<b>2,789.83</b>	<b>2,733.22</b>
6 Less: Taxes	(818.80)	618.33
<b>7 Net Cash flow from operating Activities (5-6)</b>	<b>1,971.03</b>	<b>2,114.89</b>
<b>B Cash Inflow from Investing Activities</b>		
Purchase of fixed assets	(220.92)	(40.52)
Sale of fixed assets	7.76	-
Interest Received	34.30	-
Dividend Received	77.45	-
<b>Net Cash flow from investing activities</b>	<b>(101.41)</b>	<b>(40.52)</b>



*CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March 2018 (Contd.)*

(₹ in Lakhs)

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>C Cash Flow From Financing Activities</b>		
(a) Repayment of Long-term Borrowings	-	-
(b) Proceeds from Short-term Borrowings	(802.64)	(1,943.89)
(c) Finance Cost	(12.15)	(130.47)
<b>Net Cash flow from financing activities</b>	<b>(814.79)</b>	<b>(2,074.36)</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>1,054.83</b>	<b>0.01</b>
<b>Add: Cash and cash equivalents at the beginning of the period</b>	<b>23.44</b>	<b>23.43</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,078.27</b>	<b>23.44</b>
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>D Components of cash and cash equivalents</b>		
Cash on hand	3.94	6.55
With banks on current accounts	1,074.33	16.89
<b>Total cash and cash equivalents</b>	<b>1,078.27</b>	<b>23.44</b>

The accompanying notes are an integral part of these financial statements

Movement in financial liabilities included under financing activities in statement of cash flows:

Particulars	As on 1 <sup>st</sup> April 2017	Cash in flow	Cash out flow	Non cash movement	As on 31 <sup>st</sup> March 2018
Short Term Borrowings	802.64	-	802.64	-	-

As per our report of even date attached

**For and on behalf of Board of Directors of TAPARIA TOOLS LIMITED**

**For M.M. PARIKH & Co.**  
Chartered Accountants  
(Firm Reg.No.107557W)

**V.S. DATEY**  
Company Secretary

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

**K.M. PARIKH**  
Partner  
Membership No. 31110

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

**D.P. TAPARIA**  
Director  
(DIN : 00126892)

Mumbai: May 26, 2018



**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  
52<sup>nd</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 52<sup>nd</sup> Annual General Meeting of the Shareholders of the Company at Hotel Emerald Park, Sharanpur Link Road, Nashik- 422 002 on Saturday, 29<sup>th</sup> September, 2018 at 9.30 A.M.

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

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

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

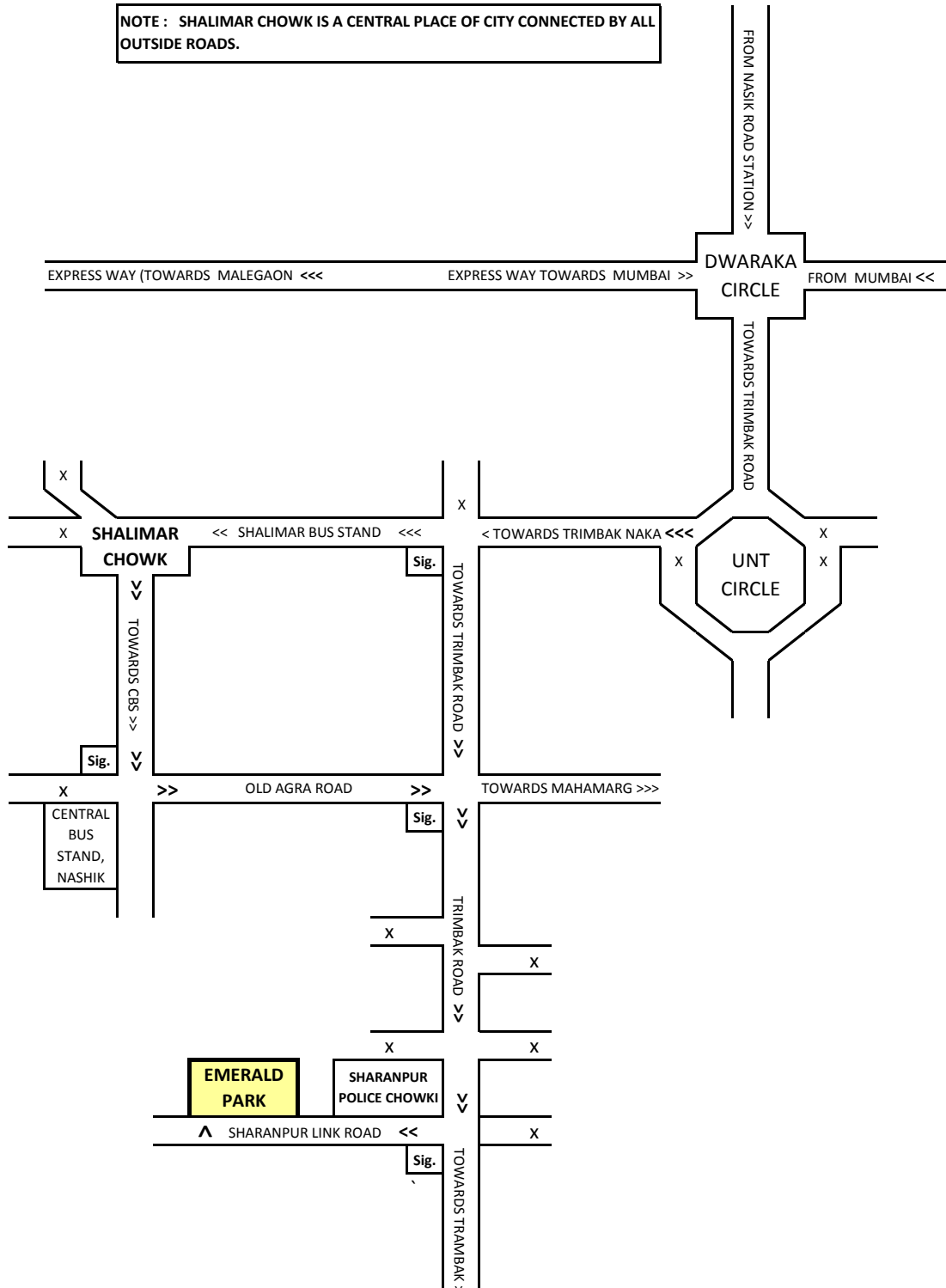
**NOTES:**

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.

**Direction for : 52<sup>nd</sup> Annual General Meeting of Taparia Tools Ltd.  
 Venue : Hotel Emerald Park, Sharanpur Link Road, Nashik - 422 002**

Shalimar Chowk (Nashik City) : 3 KM  
 Nasik Road Station : 11 KM

**NOTE : SHALIMAR CHOWK IS A CENTRAL PLACE OF CITY CONNECTED BY ALL  
 OUTSIDE ROADS.**





**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 52<sup>nd</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September, 2018 at 9.30 A.M. at Hotel Emerald Park, Sharanpur Link Road, Nashik - 422 002 or 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 Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.		
2	Appointment of Director in place of Shri J. K. Taparia (DIN 00126945), who retires by rotation and being eligible, offers himself for re-appointment as a Director.		

Signed this \_\_\_\_\_ day of September, 2018

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.**