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Board of Directors

Shri H.N. Taparia - Chairman and Managing Director
Dr. M. G. Nathani - Executive Director
Shri P.N. Shah
Shri M.V. Gore
Shri B.B. Ladda
Shri G.S. Manasawala
Shri Rajeev J. Mundra
Shri J.K. Taparia
Shri M.P. Taparia
Shri D.P. Taparia
Shri Virendra Bangur
Shri P.S. Krishnan - Director-Operations (w.e.f. 03-11-2012)

Company Secretary

Shri V.S. Datey

Bankers

HDFC Bank Limited

Solicitors

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

Auditors

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

Corporate Office

423/24, (A-2), Shah and Nahar, Lower Parel (W), Mumbai -400 013, Maharashtra
Telephone: (+91) (022) 61478600, Fax: (+91) (022) 24953230 E-Mail: htaparia@vsnl.com

Registered Office

52 & 52B, MIDC Area, Trimbak Road, Satpur, Nashik - 422 007, (Maharashtra)
Telephone : (0253) 2350317/2350318/2350418, Fax : (0253) 2350740, E-Mail : nashik@tapariatools.com

Plants

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

Website

www.tapariatools.com

Notice

NOTICE is hereby given that Forty Seventh Annual General Meeting of TAPARIA TOOLS LIMITED will be held at Hotel Emerald Park, Sharanpur Link Road, Nashik – 422 002 on Monday, the 23rd day of September, 2013 at 12.30 p.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri G. S. Manasawala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri B.B. Ladda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Rajeev J. Mundra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution relating to the appointment of Statutory Auditors of the Company:

“RESOLVED that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/S. BATLIBOI & PUROHIT, Chartered Accountants, Mumbai (Registration No.101048W), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold Office of Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting including adjourned Annual General Meeting, if any, of the Company, at a remuneration of ₹ 1,20,000/- (Rupees One lakh twenty thousand only) plus Service Tax as applicable, and reimbursement of actual out-of-pocket expenses as may be incurred for the purpose of Audit”.

AS SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, Shri P.S. Krishnan be and is hereby appointed as Whole time Director designated as Director - Operations of the Company w.e.f. November 03, 2012 for a period of 5 years upon the terms and conditions set out within limits specified in Schedule XIII of the Companies Act, 1956 and any amendments thereto”.

“RESOLVED FURTHER that pursuant to the provisions of section 198 and 310 of the Companies Act, 1956 read with Schedule XIII and subject to other applicable rules, the ceiling of remuneration payable to Shri P.S. Krishnan, Director - Operations be fixed as ₹ 3,00,000/- per month plus perquisites as follows :

a) Medical Reimbursement:

Expenses incurred for himself and his family, upto a maximum of ₹ 12,000/- per annum.

b) Leave and Leave Travel Allowance:

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Leave as per rules of the Company including encashment of leave. Leave Travel Concession for self and family, once in a year, incurred in accordance with the rules of the Company, restricted to a maximum of ₹ 7,500/- per annum.

c) Other Payments and Provisions

Other Payments and Provisions will be as under:

i) *Contribution towards Provident Fund*

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

ii) *Gratuity*

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

iii) *Encashment of Leave*

Encashment of Leave shall be at the time of tenure or at the end of tenure.

iv) *Car*

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

v) *Telephone*

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

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

"RESOLVED FURTHER that in the event of loss, absence or inadequacy of profits, proposed special resolution for the remuneration, if approved by the general body meeting of the shareholders shall be effective only for three years w.e.f. 03-11-2012 though the appointment of Shri P.S. Krishnan as Whole time Director designated as Director-Operation is approved for a period of five years."

"RESOLVED FURTHER that the Board of Directors on recommendation of the Remuneration Committee of the Board, fix the actual salary payable to Shri P.S. Krishnan, Director - Operations, from time to time, within the aforesaid ceiling limit of ₹ 3,00,000/- per month plus perquisites, after considering cost of living index, profitability, performance and contribution to progress of the Company and other relevant circumstances, provided that the salary so payable to him shall not be lower than his existing salary".

7. To consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 198 and 310 of the Companies Act, 1956 read with Schedule XIII and subject to other applicable rules, the ceiling of remuneration payable to Dr. Maheshkumar G. Nathani, Executive Director be increased from its existing limit of ₹ 3,00,000/- per month plus perquisites to ₹ 4,50,000/- per month plus perquisites as follows :

a) Medical Reimbursement:

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

b) Leave and Leave Travel Allowance:

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

c) Other Payments and Provisions

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

i) *Contribution towards Provident Fund*

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

ii) *Gratuity*

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

iii) *Encashment of Leave*

Encashment of leave at the time of tenure or at the end of tenure.

iv) *Car*

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

v) *Telephone*

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

"RESOLVED FURTHER that the Board of Directors on recommendation of the Remuneration Committee of the Board, fix the actual salary payable to Dr. Maheshkumar G. Nathani, Executive Director, from time to time, within the aforesaid ceiling limit of ₹ 4,50,000/- per month plus perquisites, after considering cost of living index, profitability, performance and contribution of the Executive Director to progress of the Company and other relevant circumstances, provided that the salary so payable to him shall not be lower than his existing salary".

8. Amendment to Articles of the Company

To consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

"RESOLVED that the Articles of the Company be and are hereby amended as follows :

- A. The existing Article 6 shall be substituted by following Article
6. The shares in the capital of the Company shall be numbered progressively according to their denominations, except that the dematerialised shares shall not be numbered.
- B. After existing Article 6, following Article shall be inserted-

Shares / Securities in physical and dematerialized form

- 6 (a) Notwithstanding anything contrary in any other provisions in these Articles, the further shares and securities of the Company may be issued in dematerialized form with a depository and that the existing shares and securities of the Company may be converted into dematerialized form with depository at the option of the shareholders/security holders.

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- (b) The Company shall enter into an agreement with the depository to enable the shareholder/security holder to dematerialize the shares and securities, in which event the rights and benefits, duties and obligations of the parties concerned shall be governed by the Depositories Act, 1996.

The beneficial owner of the shares/securities as per records of depository as on record date or book closure date shall be treated as member of the Company for purpose of voting rights at the general meetings and for all corporate benefits including dividend, rights shares and bonus shares.

- (c) Where a shareholder/security holder opts to hold shares and securities with a depository, the Company shall intimate such depository the details of the shares and securities and on receipt of such information, the depository shall enter in its record the name of such person as the beneficial owner of such shares and securities in the Company.
- (d) All shares and securities held by a depository shall be dematerialized and shall be in a fungible form and physical share/security certificates shall be mutilated and cancelled and further dealt with by the Company as per provisions of the Depositories Act, 1996.
- (e) Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall apply to a depository in respect of the shares and securities held by it on behalf of the beneficial owners.
- (f) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares and securities on behalf of the beneficial owner.
- (g) Every depository shall furnish to the Company information about the transfer of shares and securities in the name of the beneficial owners from time to time and in such manner as may specified by Company from time to time.
- (h) Subject to the provisions of Section 8 of the Depositories Act, 1996, if a beneficial owner seeks to opt out a Depository in respect of any shares and securities, the beneficial owner shall inform the depository accordingly.
- The depository shall on receipt of intimation, make appropriate entries in its records and shall inform the Company.
- The Company shall, within thirty days of the receipt of the intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of shares and securities to the beneficial owner or the transferee as the case may be.
- (i) Notwithstanding any to the contrary contained in the Articles, Section 83 of the Act shall not apply to transfer of shares and securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the depository.

- C. At the end of Article 27, following *proviso* shall be added :

Provided that if any share/security is dematerialized, the existing share certificates, if any, be cancelled and that no share certificate shall be issued in case of shares in dematerialized form.

- D. At the end of Article 28, following *proviso* shall be added :

Provided that no such certificate shall be issued if the shares/securities are in dematerialized form.

- E. At the end of Article 29, following *proviso* shall be added :

Provided that no such fresh or duplicate certificate shall be issued if the shares/securities are in dematerialized form

- F. At the end of Article 31, following *proviso* shall be added :

Provided that nothing in this Article shall apply to share/security of the Company in dematerialized form

G. At the end of Article 32, following *proviso* shall be added :

Provided that nothing in this Article shall apply to share/security of the Company in dematerialized form.

H. Article 46 shall be substituted by the following Article :

46. In case of shares/securities in physical form, the Company shall keep a book, to be called the 'Register of Transfers' and therein shall be fairly and distinctively entered the particulars of every transfer or transmission of shares.

Explanation - For removal of doubts, it is clarified that nothing contained in Articles 46 to 66 shall apply to shares and securities held in dematerialized form.

9. Conversion of shares/securities in dematerialized form

To consider and if thought fit, to pass with or without modification/s, the following resolution as a Special Resolution:

"RESOLVED that the existing shares/securities of the Company may be converted into dematerialized form with depository, at the option of the shareholder/s".

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take all necessary steps to dematerialize the shares/securities, including applying to depository, entering into agreement with depository, appointing and entering into agreement with Registrar and Share Transfer Agents and other intermediaries and making other applications and agreements and to take all such steps as may be required to convert the existing shares into dematerialized form".

By order of the Board

Mumbai, 30th May, 2013

V. S. Datey
Company Secretary

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

Notes:

1. A MEMBER ENTITLED TO ATTEND and VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND and VOTE INSTEAD OF HIMSELF and THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books in respect of the Equity Shares will remain closed from 19th day of September, 2013 to 23rd day of September, 2013 (both days inclusive).
5. (a) The Members are requested to :
 - Check the address printed on the envelope for any discrepancy especially that of pin code number. If the pin no. is missing or it is not correct, members are requested to communicate the correct pin code number to the Company.
 - Direct all correspondence to the Company's registered office at Nashik, for the attention of the Secretarial Department.
 - Quote ledger folio number in all their correspondence.
 - Approach the Company for consolidation of folios, if physical shareholdings are under multiple folios.
 - Get the shares transferred in joint names, if shares are held in single name, to avoid inconvenience.

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

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

6. Please note that pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends till the introduction of Section 205C by the Companies (Amendment) Act, 1999 have been transferred to General Revenue Account of the Central Government and thereafter up to the financial year ended 2004-05 have been transferred to the Investor Education and Protection Fund.

Kindly note that in terms of Section 205C of the Companies Act, 1956 the unclaimed dividend for the financial year 2005-2006 (which has remained unclaimed for a period of seven years) from the date it has become due, will be transferred to Investor Education and Protection Fund in the month of November, 2013.

Those shareholders who have not encashed the dividend warrant for the financial year 2005-2006 and onwards are therefore, requested to forward the same to the Company for revalidation. It may also be noted that once the unclaimed dividend is transferred to the Fund, no claim shall lie against the fund or the Company in respect of the individual amounts which were unclaimed or unpaid.

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

Explanatory Statement

As required by under Section 173 of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned in the accompanying Notice dated 30-05-2013:

ITEM NO. 6

In the Board Meeting of the Directors of the Company held on 03-11-2012, Shri P.S. Krishnan was appointed as the Whole time Director designated as Director-Operations of the Company for a period from 03-11-2012 to the date of this Annual General Meeting.

It is proposed to appoint Shri P.S. Krishnan as Whole time Director designated as Director – Operations for a period of five years w.e.f. November 03, 2012 and to fix the ceiling limit. Considering the cost of living index and the efforts taken by him for continued growing volume of the business and to keep in tune with the present trend, it was proposed to fix the ceiling limit of remuneration of Shri P.S. Krishnan as ₹ 3,00,000/- per month plus perquisites as mentioned hereunder:

PERQUISITES : Perquisites shall be allowed in addition to Salary.

a) Medical Reimbursement:

Expenses incurred for himself and his family, upto a maximum of ₹ 12,000/- per annum.

b) Leave and Leave Travel Allowance:

Leave as per rules of the Company including encashment of leave. Leave Travel Concession for self and family, once in a year, incurred in accordance with the rules of the Company, restricted to a maximum of ₹ 7,500/- per annum.

c) Other Payments and Provisions

Other Payments and Provisions will be as under:

i) *Contribution towards Provident Fund*

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

ii) *Gratuity*

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

iii) *Encashment of Leave*

Encashment of Leave shall be at the time of tenure or at the end of tenure.

iv) *Car*

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

v) *Telephone*

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

In the Meeting of Remuneration Committee and the Board held on 03rd November 2012, it was recommended and considered / approved that subject to approval of Shareholders, the aforesaid ceiling limit be fixed.

In the event of loss, absence of inadequacy of profits, the remuneration shall not exceed the ceiling prescribed in paragraph (1)(B) of section II of Part II of Schedule XIII of the Companies Act, 1956. In order to enable the

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Company to pay the minimum remuneration as prescribed in the said paragraph, the information required is given as under:

I. GENERAL INFORMATION:

(1) Nature of industry

Manufacturing & Trading of Hand Tools

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

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

(3) Financial performance based on given indicators

(₹ in lakhs)

Financial Year Ended	31.03.2013	31.03.2012	31.03.2011
Net Sales	24195.98	22419.25	18475.86
Profit before interest and depreciation	1747.17	1397.19	1036.39
Interest	299.50	207.04	114.74
Depreciation	66.65	63.30	58.31
Profit for the year before tax	1381.02	1126.85	863.34
Provision for taxation	423.48	399.43	282.90
Profit after tax	957.54	727.42	580.44
Equity Share Capital	303.57	303.57	303.57

(4) Export performance and net foreign exchange collaborations

(₹ in lakhs)

Financial Year Ended	31.03.2013	31.03.2012	31.03.2011
Foreign Exchange Earnings (FOB value of Export)	271.24	278.18	244.89

II. INFORMATION ABOUT THE APPOINTEE:

1) Background details

Shri P.S. Krishnan is a DME (Mechanical Engg.) NFC. He has about 36 years experience in four different Organisations in various fields, i.e., Industrial Engineering, Project planning, Personnel, Administration, Industrial Relations, etc. In Taparia Tools Ltd., he has experience of about 27 years in various functions including overall supervision and management of the Company's Operations.

2) Past Remuneration

Actual remuneration payable was ₹ 85,700/- p.m.

3) Job profile and his suitability

The role of the Director – Operations is to look after and ensure the smooth functioning of all the activities in the works in cost effective manner and also to implement the strategic decisions of the Organisation under the guidance of Executive Director.

4) Ceiling Limit of Remuneration proposed

Ceiling Limit of Remuneration to be fixed @ ₹ 3,00,000/- p.m. plus perquisites as mentioned hereinabove.