



TAPARIA TOOLS LTD.

AN ISO-9001 COMPANY



ANNUAL REPORT 2019 - 2020

Contents

2	Company Information
3	Notice of the Annual General Meeting
13	Board's Report
39	Management Discussion and Analysis
42	Corporate Governance Report
56	Independent Auditor's Report
64	Balance Sheet
66	Statement of Profit & Loss
67	Statement of Changes in Equity
68	Notes on Financial Statements
96	Cash Flow Statement

Company Information

BOARD OF DIRECTORS

Shri H.N. Taparia
Chairman and Managing Director

Shri J.K. Taparia
Non-Executive Director

Shri D.P. Taparia
Non-Executive Director

Shri M.P. Taparia
Non-Executive Director

Shri Virendraa Bangur
Non-Executive Director

Shri G.S. Manasawala
Independent Director

Shri Rajeev J. Mundra
Independent Director

Mrs. Disha Nitin Wadhwani
Independent Director

Mrs. Premalata Narendra Purohit
Independent Director

Shri Devendra Vyas
Independent Director

Shri Jugalkishore Ramchandra Jaju
Independent Director

Shri Sivaramakrishnan
Director – Operations

Key Managerial Personnel

Shri V. S. Datey
Company Secretary

Shri S.R. Bagad
Chief Financial Officer

BOARD COMMITTEES

Audit Committee

Shri G.S. Manasawala (Chairman)

Shri Rajeev J. Mundra

Shri D.P. Taparia

Nomination and Remuneration Committee

Shri G.S. Manasawala (Chairman)

Shri Rajeev J. Mundra

Shri D.P. Taparia

Shareholders Grievance Committee

Shri D.P. Taparia (Chairman)

Shri H.N. Taparia

Shri G.S. Manasawala

Corporate Social Responsibility Committee

Shri H.N. Taparia (Chairman)

Shri D.P. Taparia

Shri Rajeev J. Mundra

BANKERS

HDFC Bank Ltd.

ICICI Bank Ltd.

Central Bank of India

STATUTORY AUDITOR

M/s. Harshil Shah & Company,
Chartered Accountants, Mumbai

SECRETARIAL AUDITOR

CS Sagar Khandelwal,
Practicing Company Secretary, Pune

REGISTRAR & TRANSFER AGENTS

Universal Capital Securities Pvt. Ltd.

C 101, 247 Park,

LBS Road, Vikhroli West,

Mumbai – 400083. 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,

Fax : (91) (22) 24953230

E-Mail: hntaparia@tapariatools.com

PLANTS

1. 52 & 52B, MIDC Area, Satpur,
Nashik – 422 007 (Maharashtra)

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

REGISTERED OFFICE

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

Tele. : (0253) 2350317/318/418,

CIN: L99999MH1965PLC013392

E-Mail: nashik@tapariatools.com

Web Site: www.tapariatools.com

Notice

NOTICE is hereby given that Fifty-fourth Annual General Meeting of the Members of TAPARIA TOOLS LIMITED will be held on Tuesday, the 22nd day of December, 2020 at 11.30 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 52 & 52B, MIDC Area, Trimbak Road, Satpur, Nashik - 422 007.

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditor thereon and in this regard, pass the following resolution as an Ordinary resolution:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditor thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Shri D. P. 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 D. P. Taparia (DIN : 00126892), 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."

3. To appoint Shri Virendraa Bangur, 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 Virendraa Bangur (DIN : 00237043), 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."

AS SPECIAL BUSINESS

4. **Re-appointment of Shri H. N. Taparia as Chairman and Managing Director:**

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

"RESOLVED that pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri H. N. Taparia (DIN: 00126774) as Chairman and Managing Director of the Company with effect from September 17th, 2020 for the period of 3 (three) years without any salary or remuneration, except remuneration by way of Sitting Fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board and reimbursement of expenses for participating in the Board and other meetings".

5. **Re-appointment of Mrs. Disha Nitin Wadhvani as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Disha Nitin Wadhwani (DIN: 06980759), who was appointed as an Independent Director and who holds office as an Independent Director till the conclusion of this meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 3 (three) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 57th Annual General Meeting to be held in the calendar year 2023".

By order of the Board
For TAPARIA TOOLS LTD.

V. S. Datey

Company Secretary

Nashik, 24th July, 2020

Registered office:

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

Notes:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
- 3) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 4) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.tapariatools.com and website of BSE Limited at www.bseindia.com.
- 5) A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to Special Business to be transacted at the Meeting is annexed hereto.
- 6) In terms of Section 152 of the Act, Shri D.P. Taparia, Director, and Shri Virendraa Bangur, Director retire by rotation at the Meeting and being eligible, offer themselves for re-appointment.

- 7) Shri D.P. Taparia and Shri Virendraa Bangur, Directors are interested in the Ordinary Resolutions set out at Item Nos. 2 and 3, respectively of the Notice with regard to their re-appointment. Shri H.N. Taparia, Chairman & Managing Director, Shri J.K. Taparia, Director and Shri M.P. Taparia, Director, being related to Shri D.P. 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 and 3 of the Notice.
- 8) Shri H.N. Taparia is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Shri J.K. Taparia, Shri M.P. Taparia, and Shri D.P. Taparia, Directors, being related to Shri H.N. Taparia, may be deemed to be interested in the resolution. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / his relatives is, in any way, concerned or interested, financially or otherwise, in the Special Business set out under item No. 4 of the Notice..
- 9) Mrs. Disha Nitin Wadhwani (DIN: 06980759) is interested in the Special Resolution set out at Item No. 5 of the Notice with regard to her re-appointment. None of the other Directors / Key Managerial Personnel of the Company / her relatives is, in any way, concerned or interested, financially or otherwise, in the Special Business set out under item No. 5 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 Wednesday, 16th day of December, 2020 to Tuesday, 22nd day of December, 2020 (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 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.
-

Statement Pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 4

Re-appointment of Shri H.N. Taparia as Managing Director

Shri H.N. Taparia (DIN : 00126774) , aged about 87 years, is a graduate in Commerce, Law & Industrial Management. He was first appointed as Director in 1977 and appointed as Managing Director of the Company in 1982 and has continued in the post of M.D. ever since. Throughout his tenure, the Company has achieved various milestones in the form of performance, results etc. and during the last decade, in particular, the Company has recorded consistent growth and has built strong fundamentals under his leadership. It is considered necessary for the Company to continue to have his continued presence and guidance for scaling greater heights. In the Annual General Meeting of the Shareholders of the Company held on 29-09-2015, the shareholders fixed the ceiling limit of remuneration payable to Shri H.N. Taparia as Managing Director from its limit of ₹ 2,50,000/- per month to ₹ 5,00,000/- per month plus perquisites, provided that the salary payable to him shall not be lower than his existing salary.

However, Shri H.N. Taparia, vide his letter dated 14-11-2019 intended to voluntarily forgo his remuneration w.e.f. 1st December 2019 as Managing Director and willing to accept sitting Fee as is payable to other Non-executive Directors who are not in receipt of any remuneration from the Company, the Board, in its Meeting held on 14-11-2019, approved the same.

Shri H.N. Taparia is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. Shri J.K. Taparia, Shri M.P. Taparia, and Shri D.P. Taparia, Directors, being related to Shri H.N. Taparia, may be deemed to be interested in the resolution. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / his relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its Meeting held on 24th July 2020, re-appointed Shri H.N. Taparia (DIN : 00126774), as Managing Director of the Company for the period of 3 (three) years with effect from 17-09-2020, subject to approval of shareholders by Special Resolution in the Annual General Meeting.

The Board of Directors recommends the resolution in relation to the re-appointment of Shri H.N. Taparia as Chairman and Managing Director for the approval of the shareholders of the Company. In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Disclosure of Shri H.N. Taparia seeking re-appointment as Managing Director in the forthcoming Annual General Meeting is furnished in "Annexure I".

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

Mrs. Disha Nitin Wadhwani (DIN: 06980759) was appointed as an Independent Director of the Company and she holds office as an Independent Director of the Company till the conclusion of this meeting ("first term").

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, given her background and experience and contributions made by during her tenure, the continued association of Mrs. Disha Nitin Wadhwani would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Mrs. Disha Nitin Wadhwani as an Independent Director of the Company, not liable to retire by rotation, for a term of 3 (three) consecutive years on the Board of the Company.

Mrs. Disha Nitin Wadhwani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has also received declaration from Mrs. Disha Nitin Wadhwani that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mrs. Disha Nitin Wadhwani is independent of the management.

Details of Mrs. Disha Nitin Wadhwani are provided in the "Annexure I" to the Notice. She will be paid remuneration by way of Sitting Fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Meetings.

Copy of the draft letter of appointment of Mrs. Disha Nitin Wadhwani setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mrs. Disha Nitin Wadhwani is interested in the resolution set out at Item No. 5 of the Notice with regard to her re-appointment. Relatives of Mrs. Disha Nitin Wadhwani may be deemed to be interested in the resolution to the extent of her shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / her relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

*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 D. P. Taparia (DIN: 00126892)	Shri Virendraa Bangur (DIN: 00237043)	Shri H.N. Taparia (DIN : 00126774)	Mrs. Disha Nitin Wadhwani (DIN: 06980759)
Date of Birth	24.10.1950	19.03.1975	25-09-1933	18-07-1987
Qualifications	B. Com., DBM	B. Com.	Graduate in Commerce, Law and Industrial Management	Practising Chartered Accountant
Experience (including expertise in Specific functional area)	Wide experience in Sales Management	Industrialist	Wide Managerial experience more than six decades	8 years in the field of Finance, Audit, etc.
Date of Appointment/ Re-appointment	27-09-2017	27-09-2017	17-09-2015	29-09-2015
Relationship with other Directors / Key Managerial Personnel	Relative of Shri J.K. Taparia Relative of Shri M.P. Taparia Relative of Shri H.N. Taparia	N.A.	Relative of Shri J.K. Taparia Relative of Shri M.P. Taparia Relative of Shri D.P. Taparia	N.A.
Shareholding in the Company as on March, 31, 2020	101699	56526	364650	Nil

Annexure II

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.tapariatools.com. The Notice can also be accessed from the website of the Stock Exchange of BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19th December 2020 at 9.00 a.m. and ends on 21st December 2020 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 15th December 2020 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.
- (iv) Click on "Shareholders" module.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,