



# 36th Annual Report 2021-22



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# TALBROS ENGINEERING LIMITED



## TALBROS ENGINEERING LIMITED

Regd. Office: Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006  
CIN: L74210HR1986PLC033018  
Phone: 0129-4284300, Fax: 0129-4061541  
Email: cs@talbrosaxles.com, Website: www.talbrosaxles.com

### 36TH ANNUAL REPORT 2021-2022

#### BOARD OF DIRECTORS

MR. VIJAY KUMAR SHARMA	(Executive Director)
MR. SANJAY SHARMA	(Executive Director)
MR. SUNIL KUMAR	(Independent Director)
MRS. SEEMA SETHI	(Additional Independent Director)
MR. KULDEEP SINGH BHALLA	(Independent Director)
MR. SARABJEET SINGH	(Independent Director)

#### CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

#### COMPANY SECRETARY

MR. ANKUSH JINDAL

#### BANKERS

HDFC BANK LIMITED  
DBS BANK LTD  
YES BANK LIMITED  
THE HONGKONG AND SHANGHAI BANKING CORP. LTD.  
BAJAJ FINANCE LTD.

#### AUDITORS

M/s DSRV & Co. LLP  
CHARTERED ACCOUNTANTS  
HOUSE NO. 2414, SECTOR 9,  
FARIDABAD, HARYANA – 121 006

#### REGISTRAR AND TRANSFER AGENT (RTA)

M/s BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD.  
BEETAL HOUSE, 3rd FLOOR, 99, MADANGIR,  
BEHIND LSC, NEW DELHI-110062,  
PH.: 011-29961281-282, FAX: 011-29961284

#### REGISTERED AND WORKS OFFICE

PLOT NO. 74-75-76, SECTOR-6, FARIDABAD 121006  
(HARYANA)

#### WORKS

PLOT NO. 35, 36, 37, 38 & 57, INDL. AREA, HATHIN,  
DISTT. PALWAL (HARYANA)  
PLOT NO. 77, SECTOR-68, IMT FARIDABAD, HARYANA  
PLOT NO. 3, SECTOR 5, FARIDABAD, HARYANA  
PLOT NO. 2&3, 20/4, NEPCO COMPOUND, FARIDABAD,  
HARYANA  
PLOT NO. 27, SECTOR-4, FARIDABAD-121006, HARYANA

#### STOCK EXCHANGE

BSE LIMITED

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### NOTICE OF 36TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of Talbros Engineering Limited will be held as under to transact the following businesses:

Day, Date : Monday, 22<sup>nd</sup> August, 2022

Time : 11:00 a.m.

Through Video Conferencing (“VC”)/  
Other Audio Visual Means (“OAVM”)

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the Company for the year ended 31<sup>st</sup> March, 2022 including audited Balance Sheet as at 31<sup>st</sup> March, 2022, the statement of audited Profit & Loss for the year ended 31<sup>st</sup> March, 2022, Board’s Report and Auditors’ Report thereon.
2. To consider and declare the dividend on equity share of the Company for Financial Year 2021-22
3. To appoint a Director in place of Mr. Sanjay Sharma (holding DIN: 06394774), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s Rakesh Raj & Associates (FRN: 005145N) as Statutory Auditors of the Company in place of retiring Auditors M/s DSRV and Co. LLP (Formerly known as Dinesh Mohan & Co.), Chartered Accountants (FRN: 006993N) and to fix their remuneration. In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s Rakesh Raj & Associates, Chartered Accountants (FRN: 005145N), who have offered themselves for appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of section 141 of the Companies Act,

2013, and applicable rules, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s DSRV and Co. LLP, Chartered Accountants, the retiring auditors) for a term of five years commencing from the conclusion of this meeting until the conclusion of 41<sup>st</sup> Annual General Meeting to be held in year 2027 on a proposed remuneration of Rs. 9,00,000/- (Rupees Nine Lakhs Only) as may be agreed by the Audit Committee and Board of Directors in consultation with the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be considered expedient and necessary in this regard.”

#### **SPECIAL BUSINESS**

5. To increase the borrowing limits under section 180(1)(c) of Companies Act, 2013 and in this regard 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 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of all earlier resolutions passed in this regard under the Companies Act (earlier in force), the consent of the Company be and is hereby accorded to the Board of the Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company’s Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers/FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say,

reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of Rs. 100 Crores (Rupees One Hundred Crores Only) at any one time.”

6. To provide security in connection with the borrowings of the Company under section 180(1)(a) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of the earlier resolutions passed under Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) or a Committee thereof to pledge, mortgage, hypothecate or to create charge, in addition to the mortgages/charges already created, in such form and manner and on such terms as the Board/Committee may determine, on all or any part of the moveable and/or immoveable properties/undertakings, current and / or fixed assets wheresoever situate, both present and future of the Company, in favour of the Lender(s) and/or Trustee(s) for securing the borrowings availed/to be availed by the Company by way of loan(s) / deposits /issue of debentures, for due payment of the principal amount together with the interest payable thereon from time to time within the overall borrowing limits of Rs. 100 Crores (Rupees One Hundred Crores Only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds, matters and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution.”

7. To confirm the appointment of Mrs. Shashi Khurana (holding DIN: 09613592) as an Independent Woman Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the

recommendations of Nomination and Remuneration Committee, provisions of section 149, 150, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16, 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Shashi Khurana (DIN: 09613592), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Woman Director of the Company to hold the office for 5 (five) consecutive years for a term up to May 22, 2027.”

**By order of the Board  
For Talbros Engineering Limited**

Sd/-  
**(Ankush Jindal)**

Place : Faridabad  
Date : 20th June, 2022

Company Secretary  
M. No. A26017

#### **EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

##### **Item No. 4**

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act but as per Regulation 36(5) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015. The Members of the Company at the 31<sup>st</sup> Annual General Meeting (‘AGM’) held on September 28, 2017 approved the appointment of M/s. DSRV and Co. LLP (‘DSRV’), Chartered Accountants, as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the said AGM. Accordingly, DSRV will complete their present term of five years on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 (‘the Act’) read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s Rakesh Raj & Associates (“RRA”), Chartered Accountants, (FRN: 005145N), as the Statutory Auditors of the Company. If approved by the members, the appointment of RRA as the Statutory Auditors will be for a period of five consecutive years commencing from the conclusion of this 36<sup>th</sup> Annual General Meeting till the conclusion of the 41<sup>st</sup> Annual General Meeting at a proposed remuneration of Rs. 9,00,000/- (Rupees Nine Lakhs Only)

RRA was established in the year 1985 and has been providing services of Audit, Assurance, Tax, Litigation and Advisory services to its clients since then. The Partners of the Firm are seasoned Chartered Accountants having wide and varied experiences in the field of Auditing, Business Advisory, Taxation, Due Diligence and Corporate Law Advisory. The Firm is peer reviewed and is empaneled with Reserve Bank of India, Comptroller and Audit General of India, PCAOB, USA and Income Tax Department. RRA have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel and other relatives are concerned or interested in the Resolution at Item no. 4 of the Notice.

The Board recommends the Ordinary Resolution at Item no. 4 of this Notice for the approval of the members.

#### **Item No. 5 and 6**

Keeping in view the Company’s existing and future financial requirements to support its business operations and expansions, the Company needs additional funds from time to time. For this purpose, the Company is desirous of raising finance from various banks/financial institutions and/or any other lending institutions and / or bodies corporate and/or such other persons/individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto Rs. 100.00 Crores (Rupees One Hundred Crores Only). Pursuant

to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than aggregate amount of the Paid-up capital and free reserves at any one time except with the consent of the members of the Company in general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

#### **Item No. 7**

The Board of Directors has appointed Mrs. Shashi Khurana as an Additional Independent Director w.e.f. 23<sup>rd</sup> May, 2022 pursuant to the provisions of section 161(1) of the Companies Act, 2013.

In terms of section 161(1) of the Act, Mrs. Shashi Khurana would hold the office up to the date of ensuing Annual General Meeting or three months from the date of appointment, which is earlier.

The Company has received a notice from member under section 160 of the Act proposing the candidature of Mrs. Shashi Khurana for the office of Director of the Company.

Mrs. Khurana is not disqualified from being appointed as an Independent Director in terms of section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence to appoint an independent director on its Board. As per said section 149, an independent director can hold office for a term of 5 (five) consecutive years on the Board of a company and shall not be included in the total number of directors for retirement by rotation.

The company has received a declaration from Mrs. Khurana that she meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and under Regulation 16 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Khurana possesses appropriate skills, experience and knowledge in the field of management and business operations.

In the opinion of the Board, Mrs. Shashi Khurana fulfills

the conditions of appointment as an Independent Director as specified in the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mrs. Khurana is a graduate with a varied experience of 10 years in the field of business management, operational activities, financial planning and administration. She does not hold Directorship of any other company. Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Shashi Khurana is appointed as an independent director.

Copy of the draft letter for appointment as an independent director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except above, being an appointee, none of the directors and Key Managerial Personnel and their relatives is concerned or interested, financial or otherwise, in the resolution as set out in Item No. 7.

The Board commends the Ordinary Resolution set out in Item No. 7 of the Notice for approval by the shareholders.

**NOTES:**

1. In view of the continuing COVID-19 Pandemic, The Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 permitted the holding of Annual General Meeting (AGM) through VC/OVAM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the AGM of the Company is being held through VC/OVAM.
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, May 05, 2020, January 13, 2021, December 14, 2021 and May 5, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the

AGM/EGM. 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 EGM/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 EGM/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 EGM/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/EGM. 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/EGM 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/EGM has been uploaded on the website of the Company at [www.talbrosexles.com](http://www.talbrosexles.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

7. The AGM/EGM 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, MCA Circular No. 20/2020 dated May 05, 2020, MCA circular No. 02/2021 dated January 13, 2021, MCA Circular No. 21/2021 dated December 14, 2021 and MCA Circular No. 02/2022 dated May 05, 2022.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated May 05, 2020.
9. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the person seeking re-appointment as Director under Item No. 3 and 7 of the Notice is also annexed.
10. Institutional investors, who are members of the Company are encouraged to attend and vote at the 36<sup>th</sup> Annual General Meeting through VC/OAVM facility. Corporate members intending to appoint their authorized representative pursuant to sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of Board resolution to the scrutinizer by email at [csanujgupta@gmail.com](mailto:csanujgupta@gmail.com).
11. Pursuant to the provisions of Section 72 of Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any shareholder wishing to avail this facility may submit the form to the Company's Registrar and Share Transfer Agent, Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi – 110062, in the prescribed statutory form SH-13.
12. Brief resume of Directors proposed to be appointed / re-appointed along with such other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and secretarial standards on General Meetings, are provided as Annexure to this Notice.
13. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 17<sup>th</sup> August, 2022 to Monday, 22<sup>nd</sup> August, 2022 (both days inclusive) for annual closing for year 2022.
14. Final Dividend of Rs. 2.00 per share has been recommended by the Board of Directors for the year ended on 31<sup>st</sup> March, 2022 and subject to the approval of shareholders at ensuing Annual General Meeting, is proposed to be paid on and from 22<sup>nd</sup> August, 2022.
15. If dividend proposed is declared at Annual General Meeting, the payment of such dividend will be made to those members of the Company whose name appeared in the Register of Members as on Tuesday, 16<sup>th</sup> August, 2022. The dividend will be payable within 30 days of the approval in Annual General Meeting.
16. 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 / Registrar.
17. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s Beetal Financial and Computer Services Private Limited at [beetalrta@gmail.com](mailto:beetalrta@gmail.com) for assistance in this regard.
18. Pursuant to the provisions of section 124 of the Companies Act, 2013, any amount remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by Central Government. No such amount is pending overdue for transfer to IEPF by the company.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank details by every participant in the 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 and bank details to the Company / Registrar.
20. Non-Resident Members are requested to inform the company/ Registrar immediately the particulars of their bank account maintained with complete name, branch, account type, account number and address of the bank with pin code.
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
22. Electronic copy of the Annual report for financial year 2021-22 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
23. Members may also note that the Notice of 36<sup>th</sup> Annual General Meeting and the Annual Report for 2022 will also be available on the Company's website [www.talbrosexles.com](http://www.talbrosexles.com) for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [cs@talbrosexles.com](mailto:cs@talbrosexles.com).
- 24. 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.**
- 25. Voting through electronic means**
- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide shareholders facility to exercise their right to vote at the 36<sup>th</sup> Annual General Meeting (AGM) by electronic means or remote e-voting during the AGM through **Central Depository Services (India) Limited (CDSL)**.
- b. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Shareholders who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The remote e-voting module during the AGM shall be disabled for voting 15 minutes after the conclusion of the Meeting.

**Procedures and Instructions for E-Voting and joining virtual meeting are as follows:**

- Step 1 :** Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The e-voting period begins on Friday, 19<sup>th</sup> August, 2022 from 09:00 a.m. onwards and ends on Sunday, 21<sup>st</sup> August, 2022 at 05:00 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 Tuesday, 16<sup>th</sup> August, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already e-voted prior to the AGM shall not be entitled to e-vote at the AGM.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and

convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/ NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” Module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) Shareholders 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.
- 6) If you are a first time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter</li> </ul>

	the member id / folio number in the Dividend Bank details field.
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- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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.
- viii) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for the relevant “TALBROS ENGINEERING LIMITED” on which you choose to vote.
- x) 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.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) 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.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xv) 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.

xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@talbrosexles.com](mailto:cs@talbrosexles.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
26. The Board of Directors has appointed Mr. Anuj Gupta, proprietor of M/s Anuj Gupta & Associates, Practicing Company Secretary as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
27. The scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the General Meeting unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, forthwith to the Company Secretary of the Company.
28. The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.talbrosexles.com](http://www.talbrosexles.com) within three (3) days of passing of the resolutions at the AGM of the company and communicated to the Stock Exchange.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**
29. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be entitled to vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

30. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the company or either with the Depository. However, the shareholders whose e-mail ids are not registered with the company or either with the depository would continue to receive the same in physical form. Any shareholder desirous of

- receiving physical copy of any document can apply for the same to the company. The shareholders whose e-mail id's are not registered with the company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.
31. Members holding shares in physical form may avail nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
  32. 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 Beetal (Registrar), for consolidation into single folio.
  33. Members who have not yet encashed their dividend warrants for the year 2014-15 onwards are advised to forward such warrants to Beetal Financial and Computer Services Pvt. Ltd. (RTA) or to the Company along with cancelled cheque for payment.
  34. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the RTA's email address at beetalrta@gmail.com. For details, Members may refer to the "Communication on TDS on Dividend Distribution" appended to this notice as Annexure – I.
  35. Members seeking any information on the accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.
  36. Members are requested to:
    - a. Bring their copy of Annual Report and attendance slip at the venue of the meeting.
    - b. Quote their Folio/DP & client ID NO. in all correspondences with the Company/R & T Agent.
    - c. Note that shareholders present in person or through registered proxy shall only be entertained.
    - d. The attendance slips/proxy form should be signed as per the specimens signatures registered with the R& T Agent/Depository Participant (DP). Please carry photo ID card for identification/verification purposes.
  37. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and the circular issued by MCA, no gifts/coupons shall be distributed at the Meeting.
- By order of the Board  
For Talbros Engineering Limited**
- Sd/-  
**(Ankush Jindal)**  
Company Secretary  
M. No. A26017
- Place : Faridabad  
Date : 20th June, 2022

The statement of disclosures pursuant to Secretarial Standard – 2 on general Meeting and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended is as under:

S. No.	Particulars	Description	
1	Name of Director	Mr. Sanjay Sharma (DIN: 06394774)	Mrs. Shashi Khurana (DIN: 09613592)
2	Nature of Appointment	Director retires by rotation and being eligible, seeks re-appointment	Confirmation as Independent Director of the Company
3	Reference of Resolution Number in Notice	3	7
4	Father's Name	Mr. Sudershan Kumar Sharma	Mr. Girdhari Lal Kataria
5	Relationship with other Directors	NIL	NIL
6	Date of Birth	04/01/1968	13/12/1968
7	Brief Resume of Directors	Executive Director of the Company	Independent Director of the Company
8	Qualifications	Post Graduate Diploma in Mechanical Engineering	Graduate
9	Expertise	Management and Operations	Operational Activities and Business Management
10	Date of last appointment	01.11.2018	23.05.2022
11	List of outside Directorships Held (Public Limited Co.)	NIL	NIL
12	Member of the Committees in other Companies in India	NIL	NIL
13	Shareholding in the Company	NIL	NIL
14	Number of Meetings of the Board attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report
15	Details of remuneration last drawn	Please refer Corporate Governance Report	Please refer Corporate Governance Report

**COMMUNICATION ON TAX DEDUCTION AT SOURCE (TDS) ON DIVIDEND DISTRIBUTION**

Please take note of the below Tax Deduction at Source (TDS) provisions and information/document requirements for each shareholder:

**Section 1: For all Members – Details that should be completed and/ or updated, as applicable:-**

All Members are requested to ensure that the below details are completed and/ or updated, as applicable, in their respective Demat Account(s) maintained with the Depository Participant(s); or in case of shares held in physical form, with the Registrar & Transfer Agent (“RTA”) of the Company. Please note that these details as available on Book Closure Date in the Register of Members/ Register of Beneficial Ownership will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions.

- I. Valid Permanent Account Number (PAN).
- II. Residential status as per the Act i.e. Resident or Non Resident for F.Y. 2022-23
- III. Category of the Member:
  - (a) Mutual Fund
  - (b) Insurance Company
  - (c) Alternate Investment Fund (AIF) Category I and II
  - (d) AIF Category III
  - (e) Government (Central/ State Government)
  - (f) Foreign Portfolio Investor (FPI)/ Foreign Institutional Investor (FII): Foreign Company
  - (g) FPI/ FII: Others (being Individual, Firm, Trust, AJP, etc.)
  - (h) Individual
  - (i) Hindu Undivided Family (HUF)
  - (j) Firm
  - (k) Limited Liability Partnership (LLP) (l) Association of Persons (AOP), Body of individuals (BOI) or Artificial Judicial Person (AJP)
  - (m) Trust
  - (n) Domestic company
  - (o) Foreign company
- IV. Email Address.
- V. Address.

**Section 2: TDS provisions and documents required, as applicable for relevant category of Members.****1. For Resident Members:**

- (a) **Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the Income Tax Act, 1961 (“the IT Act”) subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- (b) **Insurance Companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.
- (c) **Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- (d) **Recognised Provident Funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees’ Provident Funds Act, 1952 needs to be submitted.
- (e) **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.
- (f) **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.
- (g) **National Pension Scheme:** No TDS is

required to be deducted as per Sec 197A (1E) of the IT Act.

**(h) Government (Central/ State):** No TDS is required to be deducted as per Sec 196(i) of the IT Act.

**(i) Business Trust:** No TDS is required to be deducted as per Sec 194 of the IT Act. Self-attested copy of valid SEBI registration certificate needs to be submitted.

**(j) Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

**(k) Other resident Members:**

i. TDS is required to be deducted at the rate of 7.5% u/s 194 of the IT Act.

ii. No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed Rs. 5,000.

No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income). (Format of Form 15G and Form 15H are available on website of Income Tax i.e. <https://www.incometaxindia.gov.in/forms/incometax%20rules/10312000000007845.pdf> & <https://www.incometaxindia.gov.in/forms/incometax%20rules/10312000000007846.pdf> respectively).

Please note that Declaration under Form No. 15G of 15H Shall not be valid if it does not contain the PAN of the declarant. In such cases TDS shall be deducted at the rate of 20% u/s 206AA(2) of the IT Act.

iii. TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.

iv. TDS is required to be deducted at the rate

prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

**2. For Non-resident Members:**

**(a) FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-

a. Self-attested copy of PAN;

b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;

c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Appendix 1 to this Communication).

In case the dividend is payable to 'Specified Fund' referred to in [Clause (c) of Explanation to Section 10(4D)], TDS rate would be 10% (plus applicable surcharge and cess). The reduced rate of TDS would be subject to the availability of requisite documents demonstrating that the person is covered under the aforesaid category of 'Specified Fund'.

**(b) Any entity entitled to exemption from TDS:** Valid self attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

**(c) Other non-resident Members:**

i. TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess).

- ii. Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents:-
  - a. Self-attested copy of PAN;
  - b. Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;
  - c. Self-declaration in Form 10F (Format of Form 10F is available on income tax website at <https://www.incometaxindia.gov.in/Forms/IncomeTax%20Rules/10312000000007197.pdf>); and d. Self-declaration on letter head of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Appendix 1 to this Communication).
- iii. TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and/ or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach [beetalrta@gmail.com](mailto:beetalrta@gmail.com) by August 16, 2022. Please note that no communication in this regard, shall be accepted post August 16, 2022.
- II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.
- III. Section 206AB has been introduced by the Finance Act, 2021, whereby TDS will be higher of the following
  - a) Twice the rate specified in the relevant provision of the Income-Tax Act; or
  - b) Twice the rate or rates in force; or
  - c) the rate of five percent;

In case a person has not filed his/her Return of Income for each of the two preceding financial years and the aggregate of tax deducted at source in his/her case is Rs. 50,000 or more in each of these two financial years. These provisions will be effective from July 01, 2021.
- IV. Application of TDS rate is subject to necessary due diligence and verification by the Company, of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/ documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.
- V. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/ to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and cooperation in any appellate proceedings.

### **Section 3: Other general information for the Members:-**

- I. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent/ accepted by email, the Member undertakes to send the original document(s) on the request by the Company.

**Note: Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.**

**Appendix - 1****FORMAT FOR DECLARATION FOR CLAIMING BENEFITS UNDER DTAA**

Talbro Engineering Limited  
Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006

**Subject:** Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of ..... (mention country of tax residency) (“DTAA”), as modified by Multilateral Instrument (“MLI”), if applicable.

With reference to above, I/We wish to declare as below:

1. I/ We, ..... (Full name of the shareholder), having permanent account number (PAN) under the Indian Income tax Act, ..... (mention PAN), and holding ..... (mention number of shares held) number of shares of the Company under Demat Account number/ folio number..... as on the Book Closure Date as specified in the notice of 35<sup>th</sup> Annual General Meeting, am / are a tax resident of ..... (country name) in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a ‘resident’ of India under section 6 of the Indian Income-tax Act, 1961 (“the IT Act”). A copy of the valid tax residency certificate for..... (period), which is valid as on the Book Closure Date, is attached herewith.
2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.
3. I/We am/are the legal and beneficial owner of the dividend income to be received from the Company.
4. I/We do not have a Permanent Establishment (“PE”) in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/ payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.
5. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.
6. I/ We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/ payable to us, in any case, are not attributable to business operations, if any, carried out in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I/ We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information/ documents that may be necessary and cooperate in any proceedings before any income tax/ appellate authority.

**For**

**Mention the name of the payee** : .....

**Authorised Signatory** : .....

**Name of the person signing** : .....

**Designation of the person signing** : .....

**Date** : .....

**Place** : .....

## DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 36<sup>th</sup> Annual Report on the business and operations of the Company alongwith the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31<sup>st</sup> March 2022.

### FINANCIAL RESULTS: (₹ in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021
<i>Revenue from Operations</i>		
- Sale of Products	33,516	23,087
- Other Operating revenues	1,598	799
Total Revenue from Operations	35,114	23,886
Other Income	110	51
Total Income	35,224	23,937
Profit before Interest, Depreciation & Tax	4,621	2,836
Less: Interest	845	585
Depreciation	853	803
Exceptional Items	NIL	NIL
Profit Before Tax and After Exceptional Items	2,922	1,448
Less: Previous Year adjustments	3	8
Provision for current year income-tax	750	391
Provision for Deferred Tax	(41)	(16)
Net Profit after tax	2,210	1,065
Net profit after tax and adjustments	2,210	1,065
Other Comprehensive Income		
- Items that will not be classified to profit or loss	6	8
- Items that will classified to profit or loss	NIL	3
Total Income	2,216	1,076
EPS (Basic)	43.64	21.20
EPS (Diluted)	43.64	21.20

### REVIEW OF OPERATIONS:

The Company has achieved net revenue from operations of ₹ 35,114 Lakhs in this financial year ended on 31<sup>st</sup> March, 2022 as against 23,886 Lakhs for the previous financial year. The net profit after tax for this year is ₹ 2,210 Lakhs as compared to ₹ 1,065 Lakhs for the previous financial year.

Reserves & Surplus as on 31<sup>st</sup> March, 2022 stand at ₹ 8,752 Lakhs as against the paid-up capital of ₹ 508 Lakhs.

### DIVIDEND:

The Board of Directors of your Company is pleased to recommend a dividend of ₹ 2.00/- per equity share of the face value of ₹ 10/- each (@20%), payable to those shareholders whose name appear in the Register of Members as on the Book Closure / Record Date.

### TRANSFER TO GENERAL RESERVE:

Your Directors do not propose transfer to the general reserves and it is proposed to be retained in the profit and loss account.

### SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2022 was ₹ 507.65 Lakhs comprising of 50,76,504 Equity Shares of ₹ 10/- each. There is no change in Authorised, Subscribed, Issued and paid up capital of the Company during the year under review.

### TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 2,23,159/- pertaining to unclaimed and unpaid dividend for the financial year 2013-14. Further, 10,679 corresponding shares were transferred as per the requirements of IEPF Rules. The details are provided on our website [www.talbrosexles.com](http://www.talbrosexles.com).

The Company has appointed Mr. Ankush Jindal, Company Secretary and Compliance Officer as Nodal Officer of the Company. The details of Nodal officer are accessible at [www.talbrosexles.com](http://www.talbrosexles.com).

### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 "OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT"

No matters of actual or alleged fraud have been reported by the auditors under sub-section 12 of Section 143 of Companies Act, 2013.

### LISTING FEES

The annual listing fees for the year under review have been paid to BSE Limited where your Company's shares are listed.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s G R A B & Associates, Chartered Accountants as Internal Auditors of

the Company for financial year 2021-22. To maintain the objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board and to the President/COO.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the company, accounting procedures and policies. Based on the internal audit report, the Company undertake corrective action in their respective areas and thereby strengthen the control.

## MARKETING AND EXPORT:

The export sales of the Company during the financial year 2021-22 stands at ₹ 8,813 Lakhs as against ₹ 5,870 Lakhs in the previous fiscal.

## BORROWINGS:

The Company's consolidated borrowings as on March 31, 2022 was ₹ 9,791 Lakhs as against ₹ 7,569 Lakhs as at March 31, 2021.

## CREDIT RATING:

Your Company has been assigned a rating of BBB+ (Positive Outlook) for Long Term Bank Facilities (Term Loans) of ₹ 1.63 Crores and rating of BBB+/A2 (Positive Outlook) for Short Term Bank Facilities (Fund Based Limits) of ₹ 62.80 Crores availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

## SUBSIDIARIES:

The Company is not having any subsidiary company.

## DIRECTORS:

The Board of Directors consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

During the year, Ms. Priyanka Khattar, Independent Woman Director of the Company has resigned from the office of Director and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with effect from 07<sup>th</sup> February, 2022 for a tenure of 5 (Five) years, subject to the confirmation by shareholders in ensuing General Meeting.

Mr. Sanjay Sharma, Executive Director is liable to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend for his re-appointment.

Pursuant to section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company during the year are Mr. Vijay Kumar Sharma, Executive Director, Mr.

Sanjay Sharma, Executive Director, Mr. Kanwar Pal Pawar, Chief Financial Officer and Mr. Ankush Jindal, Company Secretary.

## COMPOSITION OF COMMITTEES

The Composition of all Committees formed by the Board and changes during the year under review is provided in Corporate Governance Report.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangements to facilitate the Independent Directors to familiarize with the operations of the Company, their roles, rights, responsibilities as Directors of the Company considering the nature of the Industry in which the Company operates, business model of the Company, etc. The above aspect can be accessed on website [www.talbrosexles.com](http://www.talbrosexles.com).

## DIRECTORS' RESPONSIBILITY STATEMENT:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis. The Ind AS are prescribed under section 133 of Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 effective from April, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance.

The directors confirm that:

- (i) In preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of section 149(6) of the Companies Act, 2013 and under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have included their name in data bank in compliance with sub rules (1) and (2) of Rules 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

**NUMBER OF MEETINGS OF THE BOARD:**

The Board met 5 (Five) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

**BOARD EVALUATION:**

Pursuant to the provisions of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, and as per Guidance Notice issued by SEBI, the Board has carried out annual performance evaluation for Financial Year 2021-22.

Independent Directors at their meeting without the participation of the Non-Independent Directors and Management, considered / evaluated the Boards' performance, assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board subsequently evaluated its own performance, the working of its committees (Audit, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee) and Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report attached to this report.

**REGISTERED OFFICE**

The Registered Office address of the Company is Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006.

**POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company's policy on director's appointment and remuneration and other matters pursuant to section 178(3) of the Companies Act, 2013 has been disclosed in Corporate Governance Report, which forms part of this report.

**CODE OF CONDUCT:**

The Board of Directors has approved a code of conduct applicable to the members of the Board, principal executive officers, principal financial officers, principal accounting officers or controllers and all senior management of the Company. The code has been titled as "Code of Ethics for Designated Persons". The same has been posted on the website of the Company [www.talbrosexles.com](http://www.talbrosexles.com).

The code lays down as standard procedure for efficient working of designated employees and to build a transparency between the management and stakeholders of the Company, compliance with governmental laws, rules and regulations.

The Designated employees have confirmed the compliance with the code of conduct.

**AUDIT COMMITTEE:**

The Audit Committee consists of 3 (Three) Directors with Independent Director as Chairman. During the year 4 (Four) meetings of the committee were held. The responsibility and duties of Audit Committee have been detailed in the Corporate Governance Report. Mrs. Seema Sethi has been appointed as member of Committee due to vacancy caused by the resignation of Ms. Priyanka Khattar.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration committee consists of 3 (Three) Non Executive Directors. During the year 3 (Three) meetings have been held. The key areas of Committee have been detailed in Corporate Governance Report. Mrs. Seema Sethi has been appointed as member of Committee due to vacancy caused by the resignation of Ms. Priyanka Khattar.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company has not given any loan or guarantees covered under the provisions of section 186 of Companies Act, 2013. The detail of investments made by the Company is given in the notes to the financial statements.

**CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there has been no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There has been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

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

**RELATED PARTY TRANSACTIONS:**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on Related Party Transactions which can be accessed on Company's website [www.talbrosexles.com](http://www.talbrosexles.com). The said policy has been reviewed by the Audit Committee in their meeting held on 23<sup>rd</sup> May, 2022. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All Related Party Transactions have been placed before the Audit Committee for approval. A Statement containing the details of all Related Party Transactions has been placed before the Audit Committee for its review on a quarterly basis. Pursuant to Regulation 23(9) of SEBI (LODR) Regulations, 2015 related party transactions are reported to stock exchange on a half-yearly basis.

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Information on transaction with related parties pursuant to section 134(3)(h) of Companies Act, 2013 read with rule 8(2) of Companies (Accounts) Rules, 2014 are given in form AOC-2 and the same forms part of this report.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The policy on Vigil Mechanism/Whistle Blower is hosted on the website of the Company.

The policy inter alia provided direct access to the Vice Chairman and CFO of the Company. The Vice Chairman and CFO can approach and discuss the matter with Chairman or Audit Committee as they deem fit.

Your Company affirms that no complaints have been received during the year under review.

**STATUTORY AUDITORS:**

M/s DSRV and Co. LLP, Chartered Accountants (Firm registration number 006993N) was appointed as Statutory Auditors of the Company to hold the office from the conclusion of 31<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017, till the conclusion of 36<sup>th</sup> Annual General Meeting to be held in year 2022, subject to the ratification by shareholders at every Annual General Meeting or as may be necessitated by the Act from time to time.

Since the tenure of Statutory Auditors shall expire on 36<sup>th</sup> Annual General Meeting, the Audit Committee and Board has recommended the appointment of M/s Rakesh Raj & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting. The consent and eligibility certificate from the Auditors has been received.

The Statutory Auditors Report for Financial Year 2021-22 on the financial statement of the Company forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report on the financial statements for the year ended on 31<sup>st</sup> March, 2022. The observations of the Statutory Auditors are self-explanatory and therefore Directors don't have any further comments on the same.

**SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:**

The Company has appointed M/s Anuj Gupta & Associates, Company Secretaries to hold the office of Secretarial Auditors and to conduct the Secretarial Audit pursuant to section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2022 is being attached with the Director's Report as Annexure – B which is self explanatory and needs no comments.

Pursuant to amendments in Listing Regulations read with SEBI circular NO. LIST/COMP/14/2018 dated June 20, 2018, a certificate from M/s Anuj Gupta & Associates, Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to Corporate Governance Report.

## COMPLIANCE OF SECRETARIAL STANDARDS

The Company complied with all applicable Secretarial Standards.

## COST AUDITOR'S AND THEIR REPORT:

Cost Audit is not applicable on the product being manufactured by the Company.

## INSURANCE AND RISK MANAGEMENT:

The assets of the Company are adequately insured against the loss of fire, burglary and other risks which are considered necessary by the management and suggested by the bankers of the Company.

## PREVENTION OF INSIDER TRADING:

The Company has formulated and adopted code for prevention of insider trading. The same has also been published on the website of the Company.

The code inter alia contains the formalities / pre clearance required for dealing in company's shares and prohibits the sale or purchase by the Directors and designated employees while in possession of the unpublished price sensitive information and during the closure of trading window. The Board is responsible for implementation of the code.

All the directors and designated employees have confirmed compliance with the code.

## DEPOSITS:

The Company has not accepted any deposits under Chapter V of the Companies Act, 2013 during the year.

## CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditor's Certificate dated 09<sup>th</sup> June, 2022 in accordance with SEBI (Listing Regulations), 2015 and report on Corporate Governance is annexed to and forming part of the Director's Report.

Mr. Tarun Talwar, Chief Operating Officer and Mr. Kanwar Pal Pawar, Chief Financial Officer, have given a certificate to the Board as contemplated in Regulation 17(8) and Schedule V of SEBI (Listing Regulations), 2015.

## CORPORATE SOCIAL RESPONSIBILITY:

### Annual Report on CSR Activities

#### 1. Brief Outline of CSR Policy of the Company

Talbro Engineering Limited (TEL) is committed to high

social, ethical and environmental standards since its inception. TEL believes that an organization should make all decisions considering the social and environmental consequences.

With the instigation of new Companies Act, 2013 (hereinafter referred to as "Act") and rules made thereunder, the constitution of Corporate Social Responsibility has been mandated with the responsibility for all the CSR works. The Schedule VII of the Act lays down the framework and modalities of carrying out CSR activities. Therefore, the Company has to formulate a policy for the welfare and sustainable development of the society, while meeting the interest of the shareholders.

Our Company TEL has also established a Talbro Charitable Trust in early 80's so as to ensure help to the needy and poor people. Every year the trust donates generously to the needy people.

#### Objective

The CSR Policy covers both existing and proposed activities to be undertaken by TEL within the meaning of section 135 of the Act read with schedule VII and rules made thereunder including any amendments/modifications/additions thereof. The major sectors where TEL expands its hands under CSR are as follows:

- a) Contributing to the Non profit organisations engaged in promoting Organ Donations activities.
- b) To create equitable opportunities for the under privileged children of the society.
- c) Improving health care with the help of modern medical equipment.
- d) Establishing modern health care facilities in villages.
- e) Contributing to the non profit organisations indulged in rendering of free services including lab testing, dispensary and emergency services.
- f) Relief during natural disasters.
- g) Career Counselling programs for the under privileged students.
- h) Contribution for COVID-19 directly / through any implementing agencies

The Company is committed to discharging its social responsibility as a good corporate citizen and to facilitate good education and medical facilities to the required citizens in society.

**2. Composition of CSR Committee**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vijay Kumar Sharma	Executive Director (Chairman of Committee)	2	2
2	Mr. Kuldeep Singh Bhalla	Independent Director (Member of Committee)	2	2
3	Mr. Sunil Kumar	Independent Director (Member of Committee)	2	2

**3. Web links where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company**

Composition: <https://talbrosaxles.com/pdf/composition-committees17.pdf>

CSR Policy: <https://talbrosaxles.com/pdf/csr-policy.pdf>

CSR Projects: <https://talbrosaxles.com/about-us/#sustainability>

**4. Details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:**

The provisions of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable on the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL**
**6. Average net profit of the Company as per Section 135(5): ₹ 10.26 Crores**
**7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 20.52 Lakhs**
**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL**
**(c) Amount required to be set off for the financial year, if any: NIL**
**(d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 20.52 Lakhs**
**8. (a) CSR Amount spent or unspent for the financial year:**

Total Amount spent for the Financial Year (In ₹ Lakhs)	Amount Unspent(In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
20.52	NIL	NA	NA	NIL	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**
**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (In ₹ Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through Implementing agency	
				State	District			Name	CSR registration Number
1	Education	(ii)	Yes	Haryana	Faridabad	1.02	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the project		Amount spent for the project (In ₹ Lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation- Through Implementing agency	
				State	District			Name	CSR registration Number
2	Education	(ii)	Yes	Haryana	Faridabad	1.00	No	Chetna Welfare Society (Regd.)	CSR00026593
3	Education	(ii)	No	Delhi	New Delhi	2.00	No	RBTH Singh Memorial Charitable Hospital Society	CSR00017815
						1.00	No	Parashar Foundation	CSR00008318
4	Health Care	(i)	No	Delhi	New Delhi	10.00	No	Amba Dalmia Foundation	CSR00005427
7	Orphanage / Old Age Home	(iii)	Yes	Haryana	Faridabad	1.00	No	Saint Hardayal Education & Orphans Welfare Society	CSR00000665
8	Orphanage / Old Age Home	(iii)	No	Delhi	Uttar Pradesh	2.00	No	Param Shakti Peeth	CSR00000072
10	Animal Welfare	(iv)	Yes	Haryana	Faridabad	1.50	No	Shri Gopal Gaushala	CSR00019015
						1.00	No	People for Animals Trust	CSR00007721
<b>TOTAL</b>						<b>20.52</b>			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent in Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 20.52 Lakhs

(g) Excess amount for set off, if any: NIL

**9. (a) Details of unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6)(In ₹)	Amount spent in the reporting Financial Year (In ₹ Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (In ₹)
				Name of the fund	Amount (In ₹)	Date of Transfer	
1	2020-21	NIL	NIL	NA	NIL	NA	NIL
2	2019-20	NIL	8.05	NA	NIL	NA	NIL
3	2018-19	NIL	NIL	NA	NIL	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects for the preceding financial year(s): Not Applicable

No capital asset was created / acquired for fiscal 2021 through CSR spend.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

**MANAGEMENT DISCUSSION AND ANALYSIS:**

A Management discussion and Analysis as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed and forming part of the Directors' Report.

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The particulars prescribed under section 134(3)(m) of Companies Act, 2013 read with rule 8 of Companies

(Accounts) Rules, 2014, are enclosed as **Annexure – A** to the Board's Report.

**INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

Pursuant to the provisions of Section 197(12) of Companies Act, 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the disclosures and details as required to be annexed to the Board's Report are provided hereunder:

**(a) Ratio of remuneration of each director to the median remuneration of employees of the Company**

**(Amount in ₹ Lacs)**

Name of the Director	Designation	Remuneration paid	Ratio to median remuneration
Mr. Sanjay Sharma	Executive Director	13.64	6.16
Mr. Vijay Kumar Sharma	Executive Director	12.07	5.17
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	Only Sitting fees paid
Mr. Sunil Kumar	Independent Director	0.05	Only sitting fees paid
Ms. Priyanka Khattar	Independent Director	0.05	Only sitting fees paid
Mr. Sarabjeet Singh	Independent Director	0.05	Only sitting fees paid

**(b) Percentage increase in remuneration of Directors and KMPs**

**(Amount in ₹ Lacs)**

Name of the Director/KMP	Designation	Remuneration for the year ended 2021-22	Remuneration for the year ended 2020-21	% change during the year
Mr. Sanjay Sharma	Executive Director	13.64	12.15	12.26
Mr. Vijay Kumar Sharma	Executive Director	12.07	11.78	2.46
Mr. Sunil Kumar	Independent Director	0.05	0.05	0.00
Ms. Priyanka Khattar	Independent Director	0.05	0.05	0.00
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	0.05	0.00
Mr. Sarabjeet Singh	Independent Director	0.05	0.05	0.00
Mr. Ankush Jindal	Company Secretary	9.06	7.84	15.56
Mr. Kanwar Pal Pawar	CFO	4.86	4.24	14.62

(c) The median remuneration of the employees has increased by 22.46% in 2021-22 as compared to 2020-21.

(d) The annual average increase in the salaries of employees other than managerial personnel during the last financial year was around 6.5%. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contributions to the Company's progress over a period of time and also industry trend.

(e) Number of permanent employees on the rolls of the Company.

Financial Year	No. of Employees
2019-20	198
2020-21	193

(f) We affirm that the remuneration paid to Directors, Key Managerial Personnel's and employees is as per the remuneration policy of the Company.

(g) The details pursuant to the provisions of Section 197(12) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Remuneration)

Rules, 2014, as amended from time to time pertaining to top ten employees in terms of remuneration drawn and employees drawing remuneration of more than One Crore and Two Lakhs Rupees during the year will be available for inspection at the Registered Office of the Company during the working hours as and when requested by any shareholder in terms of section 136 of Companies Act, 2013.

**CORPORATE GOVERNANCE CERTIFICATE:**

The Compliance Certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Regulations), 2015 has been annexed to this report.

**UNCLAIMED SHARE SUSPENSE ACCOUNT**

During the year, the Company has opened a Share Suspense Account with SMC Global Securities Limited for transfer of unclaimed bonus equity shares of the Company. The Company has transferred 5,882 no. of equity shares of 171 shareholders to the Suspense Account during the year. The Company has not received any request from shareholder for claiming shares from Demat Suspense Account during the year. There is no change in the no. of shareholders and no. of shares during the year in the Suspense Account.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**EXTRACTS OF THE ANNUAL RETURN:**

The Extracts of the Annual Return for the year 2021-22 being attached with the Directors Report as **Annexure – C**

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal

Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy and constituted a committee for prevention of Sexual Harassment of Women at workplace. During the year Company has not received any complaint of harassment.

**OTHER DISCLOSURES:**

1. There is no application or proceeding pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year.
2. There is no difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from Bank or Financial Institution.
3. There was no instance of non-compliance by the Company on any matters relating to capital markets; nor was there any penalty/ strictures imposed by the Stock Exchange or SEBI or any other statutory authority on such matters during the last three years.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the overwhelming co-operating and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve rapid growth.

**For and on behalf of the Board**

Sd/-  
**Vijay Kumar Sharma**  
Executive Director  
DIN: 06394784  
R/o H.No. 309, Sector 3,  
Faridabad, Haryana

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN: 06394774  
R/o H.No. 1002, Sector 8  
Faridabad, Haryana

Place: Faridabad  
Date: 20.06.2022

**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013  
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 arm length transaction 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: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in General Meeting as required under first proviso to section 188: Not Applicable

**2. Details of contracts or arrangements or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Date(s) of approval by the Board: Not Applicable
- (f) Amount paid as advances, if any: Not Applicable

**ANNEXURE-A**

**CONVERSATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

**(A) Conservation of Energy:**

The Company has created high degree of awareness on conservation and saving of energy among the workers, employees including top management of the Company. The initiatives taken by the company are as under:

- The Company has started installing HUF Air Conditioners to save electricity.
- The Company has started installing stabilizers on main electric points to replace multi stabilizers at different points in all plant locations.
- The Company has installed and made operational roof top solar panels in IMT plant.
- Replacement of coils in upsetters resulting in cycle time reduction.
- Use of PNG instead of diesel for furnaces which results in 20% cost efficiency.
- Set up of new upgraded machineries have been adopted with inverter drives which consequently will lead to less electricity consumption.
- Installation of solid state machines for Induction hardening which will result in less consumption of power.
- Installation of sky shades which will help in reducing energy consumption during day time.

**(B) Technology absorption:**

- Installation of Robots in Induction Hardening Process
- Pick and Place PLC based has been adopted in different plant location

- Integration of Induction Hardening with eddy current sorter for defect detection.
- Poka Yoke (Mistake Proofing) system has been integrated in lines to filter and avoid the rejected material.
- The company has installed upgraded machineries which includes CNCs, VMCs, CNC grinder, Induction Hardening in various plants which results in production growth.
- Air Gages have been installed for self inspection at stations.
- The company has not incurred any expenditure on Research & Development activities during the year under review.

**(C) Foreign Exchange Earning and Outgo:**

S. No.	Particulars	Amount (In ₹) Lakhs
	<i>Expenditure</i>	
1	Commission on Export Sales	6.88
2	Foreign Travelling	NIL
3	Repair & Maintenance (Plant & Machinery)	4.93
4	CIF Value of Imports (Machinery)	NIL
5	Dividend paid for the FY 2020-21	0.01
	<b>Total</b>	<b>11.82</b>
	<i>Earnings</i>	
1	Value of Exports on FOB Basis	8,311.43
	<b>Total</b>	<b>8,311.43</b>

**ANNEXURE – B****SECRETARIAL AUDIT REPORT****For the Financial Year Ended on 31<sup>st</sup> March, 2022**

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

To  
The Members  
Talbro Engineering Limited  
Plot No. 74-75-76, Sector 6,  
Faridabad, Haryana – 121 006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Talbro Engineering Limited, CIN: L74210HR1986PLC033018** (hereinafter called “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 Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 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 return filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) 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;
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) OTHER APPLICABLE ACTS,
  - (a) Factories Act, 1948
  - (b) Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) Employees’ State Insurance Act, 1948, and rules made thereunder,
  - (e) The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - (f) The Payment of Bonus Act, 1956, and rules made thereunder,
  - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
  - (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Based on the reports of the department heads of the premises located at Faridabad and Hathin, I report that the Company has substantially complied with the provisions of the Acts that are applicable to the Company. Based on the information, explanations and management representation, the Company has substantially complied with tax laws applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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 that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act and Regulations.

- Ms. Priyanka Khattar has tendered her resignation from the office of Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022.
- Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members, views are captured and recorded as part of the minutes.

**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.

Sd/-

**Anuj Gupta**

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

Place: New Delhi

Date: 09.06.2022

UDIN: A031025D000477856

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.

## ANNEXURE 1

To  
The Members,  
TALBROS ENGINEERING LIMITED  
Plot No. 74-75-76, Sector 6,  
Faridabad, Haryana – 121 006

Our report of even date is to be read along with this letter.

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 the 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 Management representations about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. 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.

Sd/-

**Anuj Gupta**

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

Place: New Delhi

Date: 09.06.2022

UDIN: A031025D000477856

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31<sup>st</sup> March, 2022

### **(A) INDUSTRY STRUCTURE AND DEVELOPMENT**

Talbro Engineering is engaged in manufacturing Rear Axle Shafts for leading automobile companies in India and foreign markets. The automobile sector received cumulative equity FDI inflow of about US\$ 30.78 billion between April, 2000 and September, 2021. The Govt. of India expects automobile sector to attract US\$ 8-10 million in local and foreign investments by 2023. In calendar Year 2021, all segments showed growth and total sales increased by 5.8%. India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second largest bus manufacturer and third largest heavy trucks manufacturer in the world. In Financial year 2021-22, the Company's exports sales showed a growth of around 50% and expects to continue this growth with a continued focus on exports.

### **(B) OPPORTUNITIES AND THREATS**

The Company has world class manufacturing facilities located at Faridabad and Hathin in Haryana and is equipped with the latest in technology and a highly qualified engineering team. The Company is continuously striving on better and automated technology adoption for effective and efficient working and to walk out of the competition queue. The Company is working proactively with customers to diversify its existing product portfolio and enter into new market segments. The Company has successfully developed and started supplies of torsion bars, spindles, front axles, and camshafts. In international business, our largest market is North America and we also serve some small customers scattered across various Central and South American countries. The company is also actively working on developing new business in Europe.

Besides opportunities, the Company also faces threats which include shifts in the tastes of customers from SUV segment cars to small eco-friendly and electric cars due to continuous increase in fuel prices and heavy traffic on roads. The competition is rising day by day and installation of excess capacity can escalate the risk of a price war in the event of an economic downturn.

### **(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company's performance is primarily based on one product i.e. Rear Axle Shafts. The company continues to undertake steps for improvement and growth.

### **(D) OUTLOOK**

The Company does not foresee any major threats to its growth and market share in the coming years. The infrastructure need of the company have also been completed by investing in a new production site. The company does not foresee any technological obsolescence for its products as our product is primarily drive train.

### **(E) RISKS AND CONCERNS**

The Company has its step wise risk management system which includes identification of risk at different levels including internal and external business risks. The risks so identified have been properly assessed and analysed at each level. After that, the corrective and preventive measures are taken by the Company to overcome the identified risks. The management review the risks every half year.

### **(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures commensurate with the size and structure of the Company. The company has also engaged the services of independent Chartered Accountant to carry out the internal audit and to identify the proper and adequate internal control system and sufficient measures are taken to update the internal control system. The implementation of SAP has resulted in better management and system development. The system also ensures that all transactions are appropriately authorised, recorded and reported.

### **(G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Your Company has achieved a sales turnover of Rs. 35,114 Lakhs in this financial year ended on 31<sup>st</sup> March, 2022 as against Rs. 23,886 Lakhs in the previous financial year. Net profit after tax for this year stands at Rs. 2,216 Lakhs as against Rs. 1,076 Lakhs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31<sup>st</sup> March, 2022 is Rs. 8,311 Lakhs as compared to Rs. 5,737 Lakhs in the previous financial year.

**(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

As on March 31, 2022, the Company had 193 number of permanent employees at its manufacturing plants and administrative office located at Faridabad and Hathin.

The company considers the employee values and ensures proper encouragement both morally and financially to motivate them. The relationship between the management and employees is remarkable. Regular trainings and workshops have been conducted to motivate the employees for better understanding of upgraded technologies.

**(I) KEY FINANCIAL RATIOS**

S. No.	Ratios	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Change in %
1	Debtors Turnover	4.94	5.90	(16.23%)
2	Inventory Turnover	7.28	5.98	21.82%
3	Interest Coverage Ratio	5.34	4.76	12.03%
4	Current Ratio	2.47	2.59	(4.57%)
5	Debt Equity Ratio	0.63	0.47	33.26%
6	Operating Profit Margin (%)	12.85%	11.66%	10.10%
7	Net Profit Margin (%)	8.30%	6.05%	37.12.%

The Debt Equity Ratio has increased due to increased borrowings by the Company to finance upcoming expansion.

Net Profit margin has improved due to improvement in operating margins during the year.

**(J) RETURN ON NET WORTH**

The return on net worth for the current year ended on March 31, 2022 is 28.92% as compared to 16.71% during the fiscal year ended on March 31, 2021.

**For and on behalf of the Board**

Sd/-  
**Vijay Kumar Sharma**  
Executive Director  
DIN: 06394784  
R/o H. No. 309, Sector 3,  
Faridabad, Haryana

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN: 06394774  
R/o H. No. 1002, Sector 8  
Faridabad, Haryana

Place: Faridabad  
Date : 20.06.2022

## CORPORATE GOVERNANCE

### 1. PHILOSOPHY:

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long term. The Company's philosophy on corporate governance is about commitment to values and ethical business conduct. It has been developed with a tradition of fair and transparent governance even before they were mandated by legislation. The management and decision taking of the company is done at three levels viz a viz Shareholders of the Company, Board of Directors of the Company and Sub-committees of the Board. The Company has professional and expert Board who are actively involved in the deliberations of the Board on all important policy matters. Your Company has fulfilled all the existing guidelines and has complied with all the applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof.

consisted comprising of Two Executive Directors and Four Non Executive Independent Directors as on 31<sup>st</sup> March, 2022.

Ms. Priyanka Khattar has tendered her resignation from the office of Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022 and Mrs. Seema Sethi has been appointed as an Addition Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022.

Further, Mrs. Seema Sethi has tendered her resignation due to pre-occupation in other assignments w.e.f. 23<sup>rd</sup> May, 2022 and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23<sup>rd</sup> May, 2022.

The members of the Board elects Chairman at the respective meeting. The Executive Director is authorized for conducting the general business of the Company. The Board of the Directors meets at regular intervals and take the decisions as and when required for smooth running of the operations of the Company. Separate meetings of independent directors are also being conducted at regular intervals to evaluate the performance of executive directors.

### 2. BOARD OF DIRECTORS:

#### (a) Composition, Category of Directors and their directorship as on March 31, 2022

The Board of Directors of the Company is duly

S. No.	Name of the Director	Category	No. of Directorships held in other Companies (Public & Pvt. Ltd. Companies)	No. of memberships held in Committees of other Companies	No. of Equity Shares Held in the Company
1	Mr. Vijay Kumar Sharma	Director (Executive)	Nil	Nil	Nil
2	Mr. Sanjay Sharma	Director (Executive)	Nil	Nil	Nil
3	Mr. Sunil Kumar	Director (Non Executive and Independent)	Nil	Nil	Nil
4	Ms. Priyanka Khattar	Director (Non Executive and Independent)	Nil	Nil	Nil
5	Mr. Kuldeep Singh Bhalla	Director (Non Executive and Independent)	Nil	Nil	100
6	Mr. Sarabjeet Singh	Director (Non Executive and Independent)	Nil	Nil	774
7	Mrs. Seema Sethi	Director (Non Executive and Independent)	Nil	Nil	2

#### (b) Attendance of Directors in Board Meetings and Last AGM

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors					Attendance in Last AGM (28.09.2021)
		21.06.2021	06.08.2021	16.09.2021	09.11.2021	07.02.2022	
1	Mr. Sanjay Sharma	Yes	Yes	Yes	Yes	Yes	Yes

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors					Attendance in Last AGM (28.09.2021)
		21.06.2021	06.08.2021	16.09.2021	09.11.2021	07.02.2022	
2	Mr. Vijay Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Sunil Kumar	Yes	Yes	Yes	Yes	Yes	Yes
4	Ms. Priyanka Khattar	Yes	Yes	No	Yes	Yes	Yes
5	Mr. Kuldeep Singh Bhalla	Yes	Yes	Yes	Yes	Yes	Yes
6	Mr. Sarabjeet Singh	Yes	Yes	Yes	Yes	Yes	Yes
7	Mrs. Seema Sethi	NA	NA	NA	NA	Yes	NA

The notice and agenda of each Board Meeting are circulated to all the directors before the prescribed dates of meeting through the permissible modes. All major agenda items are backed by comprehensive background information to enable the board to take informed decisions.

The details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

The Company did not have any pecuniary relationship of transactions with its Non-Executive and / or independent Directors of the Company during the year under review.

No Director of the Company is related to any other Director of the Company.

#### **Code of Conduct for Directors and Senior Management (Designated Persons)**

The Company has adopted a Code of Conduct for Designated Persons of the Company which helps in maintaining the standard of business conduct for the Company and ensures compliance with legal requirements, deter wrongdoing and promoting ethical conduct. The code is applicable to all the members of the Board of Directors, principal executive officers, principal financial officers, principal accounting officers and all professionals involved.

#### **Certificate from Practicing Company Secretary**

Anuj Gupta & Associates, Practicing Company Secretaries has issued a certificate as required under Listing Regulations, confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report.

#### **Vigil Mechanism / Whistle Blower Policy**

The Company has adopted a Vigil Mechanism /

Whistle Blower Policy. The Policy encourages whistle blowing against unethical or improper activity and an avenue to raise concerns and to access in good faith, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices, actual or suspected, fraud or violation of the Company's code of conduct or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

#### **Independent Directors**

Independent Directors are non-executive Directors as defined under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations. The maximum tenure of the Independent Directors is in compliance with the Act.

Your Company has appointed Independent Directors who are renowned people having expertise / experience in their respective field / profession. None of the Independent Directors are promoters or related to promoters of the Company. They do not have any pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under section 149 of the Companies Act, 2013. The Company had issued a formal letter of appointment to all the independent Directors.

Ms. Priyanka Khattar has resigned from the office of Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company w.e.f. 07<sup>th</sup> February, 2022.

Further, Mrs. Seema Sethi has tendered her resignation due to pre-occupation in other assignments w.e.f. 23<sup>rd</sup> May, 2022 and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23<sup>rd</sup> May, 2022.

All Independent Directors maintain their limits of directorships as required under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Independent Directors have registered themselves in the databank of Indian Institute of Corporate Affairs as required under Companies Act, 2013.

**The Following is the list of core skills/expertise/competencies identified by the Board of Directors as required in context of its business to function effectively:**

1. Knowledge of the company's affairs, business, policies, mission, vision, goals, strategic plans, risks, threats, opportunities and knowledge of the industry in which company operates.
2. Strategic planning, thinking and decision making
3. Risk and Compliance Oversight
4. Attributes and competencies to use their knowledge and skills to interact with key stakeholders.
5. Marketing, policy development
6. Financial literacy and skills, legal and governance
7. Technical/professional skills and specialised knowledge to assist the ongoing aspects of the business.
8. Mentoring abilities
9. Integrity and ethical standards

The core skills / expertise / competencies identified are available with the Board.

**Determining Qualifications, attributes and independence of a Director, Evaluation of Individual Directors, the Board and its Committees and Board Diversity**

The Company has adopted the guidelines on Board effectiveness which inter-alia covered Board effectiveness review, the Composition and role of the Board and nominations, appointment, induction and development of Directors.

Determining qualification, attributes and independence of a Director:

- (i) A Director will be considered as an Independent Director, if he/she meets the criteria for

Independent Director as laid down in the Companies Act, 2013 and SEBI (LODR) Regulations.

- (ii) Independent Directors should be well versed with their respective functions in order to contribute to the Board.
- (iii) Independent Directors are expected to be abide by the 'Code for Independent Directors' as outlined in the Act.

Evaluation of Individual Directors, the Board and its Committees

Pursuant to the provisions of the Companies Act, 2013, SEBI (LODR) Regulations and Guidance Note on Board evaluation issued by SEBI, the Board has carried out the performance evaluation for the financial year 2021-22 of its own performance, the Directors individually as well as the evaluation of the working of Committees namely:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Corporate Social Responsibility Committee

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been 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
- Undertaking the 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 and Initiative

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

## *Personal Attributes*

- Commitment to role & fiduciary responsibilities as a Board member
- Attendance and active participation
- Proactive, strategic and lateral thinking.

*Professional Qualification, Knowledge and Competency, fulfilment of functions, Commitment, contribution, integrity and Independence.*

## Evaluation of Board:

The areas for evaluation as per the guidance note issued on Board evaluation includes:

- (i) Structure of the Board;
- (ii) Meetings of the Board;
- (iii) Functions of the Board; and
- (iv) Board and Management

The broad criteria followed for evaluation of performance of Board and its committees includes:

- (i) Mandate and composition;
- (ii) Effectiveness of the Committee;
- (iii) Structure of the Committee and meetings;
- (iv) Independence of the Committee from the Board; and
- (v) Contribution to decisions of the Board

## Board Diversity:

The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

### **3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:**

#### **(A) AUDIT COMMITTEE:**

##### **(a) Terms of Reference:**

As required and mandated under the Companies Act, 2013 and rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee has been constituted by the Board of Directors. The major roles of Audit Committee are as follows:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and

credible;

- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:
  - a. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of 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 judgement by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications / Modified opinions(s) in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- (viii) Approval of any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) 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;
- (xvi) 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;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xxi) Reviewing the utilization of loans and/or advances availed from Bank(s), promoters

and NBFC(s).

The Audit Committee shall mandatorily review the following information:

- (i) Management Discussion and Analysis of financial condition and results of operations;
- (ii) Statement of Significant related party transactions (as defined by the Audit Committee), submitted by management;
- (iii) Management Letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) Internal Audit Reports issued by Internal Auditors;
- (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- (vi) Statement of Deviations:
  - (a) Quarterly statement of deviation(s), if any including report of monitoring agency, if applicable submitted to stock exchange in terms of Regulation 32(1) of SEBI (LODR) Regulations.
  - (b) Annual Statements of fund utilized for purposes other than those stated in the offer document/prospectus/notice, if applicable in terms of Regulation 32(7) of SEBI (LODR) Regulations.
- (vii) Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year effective from 01<sup>st</sup> April, 2019 and shall verify that the systems of internal control are adequate and are operating effectively.

**(b) Composition of Audit Committee, Meetings held during the year and Attendance of Members:**

The Audit Committee consists of three Independent Directors Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla and Mrs. Seema Sethi as on 31<sup>st</sup> March, 2022. Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07<sup>th</sup> February, 2022. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 4 (Four) times during the year ended 31<sup>st</sup> March, 2022. The attendance record of the members at the meeting were as follows:

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members			
			21.06.2021	06.08.2021	09.11.2021	07.02.2022
1	Mr. Kuldeep Singh Bhalla	Chairman	Yes	Yes	Yes	Yes
2	Ms. Priyanka Khattar*	Member	Yes	Yes	Yes	Yes
3	Mr. Sunil Kumar	Member	Yes	Yes	Yes	Yes
4	Mrs. Seema Sethi*	Member	NA	NA	NA	Yes

\* Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07<sup>th</sup> February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23<sup>rd</sup> May, 2022. Mr. Sarabjeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23<sup>rd</sup> May, 2022.

All the members of the Committee are financially literate and the Chairman has accounting or related financial knowledge.

The Audit Committee meetings are attended by the Chief Operating officer, President, Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditors of the Company. The Company Secretary of the Company acts as Secretary of the Audit Committee. The Chairman of the Audit Committee has marked his presence in the Annual General Meeting held on 28<sup>th</sup> September, 2021.

## **(B) NOMINATION AND REMUNERATION COMMITTEE:**

### **(a) Terms of Reference:**

As required and mandated under the Companies Act, 2013 and rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has been constituted by the Board of Directors. The major roles of Nomination and Remuneration Committee are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- (ii) Recommend to the Board the setup and

- composition of the Board and its committees.
- (iii) Periodically reviewing the composition of the Board with an objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- (iv) Formulation of criteria for evaluation of independent Directors and the Board;
- (v) Devising a policy on Board diversity;
- (vi) Identifying 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.
- (vii) Recommend to the Board regarding appointment of Key Managerial Personnel (KMP) and executive team members of the Company.
- (viii) Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual Directors.
- (ix) Oversee the performance review process of the KMP and executive team of the Company.
- (x) Recommend to the Board the remuneration policy for Directors/ Senior Management/ executive team/KMP.
- (xi) Recommend to the Board all remuneration in whatever form payable to the Directors, KMP and Senior Management of the Company.
- (xii) To look after the term of appointments of Independent Directors and their re-appointments thereof.
- (xiii) Oversee familiarization programmes for Directors.
- (xiv) Performing such other duties and responsibilities as may be consistent with the provisions of the Act and Listing Regulations.

**(b) Composition of Nomination and Remuneration Committee, Meetings held during the year and Attendance of Members:**

The Nomination and Remuneration Committee has been constituted in compliance with the provisions of Section 178 of Companies Act, 2013 and rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 (Three) meetings of Nomination and Remuneration Committee were held on 21<sup>st</sup> June, 2021, 16<sup>th</sup> September, 2021 and 07<sup>th</sup> February, 2022 and all the members were present during the meeting. The present constitution of Committee is as follows:

S. No.	Name of Member	Designation in Committee
1	Mr. Kuldeep Singh Bhalla	Chairman
2	Mr. Sunil Kumar	Member
3	Ms. Priyanka Khattar*	Member
4	Mrs. Seema Sethi*	Member

\* Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07<sup>th</sup> February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23<sup>rd</sup> May, 2022. Mr. Sarabjeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23<sup>rd</sup> May, 2022.

**(c) Remuneration Policy:**

The Nomination and Remuneration Committee has formulated a policy which deals with the manner of selection of Board of Directors including Executive Directors, Non Executive Directors, Independent Directors, KMPs and payment of their remuneration. The criteria of selection and remuneration to be paid are as follows:

*Non Executive and Independent Director*

The Non-Executive Directors shall be selected and appointed on the basis of high integrity with relevant expertise and knowledge so as to govern the Board of Directors in the field of manufacturing, sales & marketing, finance, taxation, law, governance and general management.

The independent Directors shall be selected and appointed after considering the independence as prescribed in the provisions of section 149 of Companies Act, 2013 and rules made thereunder and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The independent director should be a person of integrity and possesses relevant expertise and experience.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment pursuant to the provisions of Section 164 of Companies Act, 2013.

*Managing Director / Whole Time Director*

In case for the appointment as a Managing Director / Whole Time Director, the Nomination and Remuneration Committee shall identify the person of integrity who possess rich expertise, experience, knowledge, qualification and leadership qualities required for the position and shall take into consideration, the recommendations, if any, received from the members of the Board. The candidate identified shall be recommended to the Board of Directors and is eligible for appointment only after the approval of members of the Company in general Meeting. The committee shall also ensure that the candidate identified shall fulfil all the conditions and criteria as envisaged in the relevant clauses and schedules of Companies Act, 2013 and rules made there under.

*Remuneration to Directors*

The independent Directors shall only be entitled to receive the remuneration by way of sitting fees and reimbursement of the actual expenses incurred by them for participation in Board Meetings. The said remuneration to be paid should be recommended by Nomination and Remuneration Committee and approved by the Board of Directors considering the overall ceiling limits prescribed under the Companies Act, 2013 and rules made there under. The quantum of sitting fees may be subject to review on periodic basis, as and when required.

The Managing Director / Whole Time Director shall be entitled to receive the remuneration as mutually agreed between the members of the Board of Directors and Managing Director/ Whole time Director, subject to the approval of members of the Company in General Meeting. The remuneration to be paid shall be within the overall

limits as prescribed under the Companies Act, 2013 and rules made there under. In case of change in remuneration beyond the limits approved by shareholders, a new approval from shareholders is required.

The remuneration of Managing Director / Whole Time Director comprises of salary, allowances, perquisites, amenities and retirement benefits as decided by the Nomination and Remuneration Committee and approval of Board of Directors from time to time.

**(d) Details of Remuneration paid during the year 31<sup>st</sup> March, 2022:**

S. No.	Name of the Director	Designation	Remuneration Paid (Amount in ₹ Lakhs)
1	Mr. Sanjay Sharma	Executive Director	13.64
2	Mr. Vijay Kumar Sharma	Executive Director	12.07

The Company has paid sitting fees of ₹ 5,000/- each to Mr. Sunil Kumar, Ms. Priyanka Khattar, Mr. Kuldeep Singh Bhalla and Mr. Sarabjeet Singh for all the meetings attended during the year.

None of the independent Directors of the Company is in receipt of any kind of remuneration / commission other than sitting fees as mentioned above. None of the Directors along with their relatives holds more than 2 percent shares of the Company.

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**(a) Composition of Stakeholders Relationship Committee, Meetings held during the year and Attendance of Members:**

As required and mandated under the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a duly constituted Stakeholders Relationship Committee. The committee is looking after and reviewing the actions for redressal of shareholders and investors grievances. The Committee is also responsible for transfer, transmission and rematerialization of shares as requested by the shareholders of the company from time to time.

**Terms of Reference:**

The functioning and terms of reference of the

Committee as prescribed is in compliance with the Act and Regulation 20 read with Part D of Schedule II of Listing Regulations which includes:

- (i) Review statutory compliance relating to all security holders.
- (ii) Consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non receipt of annual report/ declared dividends/notices/balance sheet, issue of new/duplicate share certificates, general meetings etc.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iv) Review of adherence to the service standards adopted by the listed entity in various services being rendered by the Registrar and Share Transfer Agent.
- (v) Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports/statutory notices by the shareholders of the Company.
- (vi) Review movements in shareholding and ownership structures of the Company.

During the year ended 31<sup>st</sup> March, 2022, the Stakeholders Relationship Committee met 4 times.

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year
1	Mr. Kuldeep Singh Bhalla	Chairman	4
2	Ms. Priyanka Khattar*	Member	4
3	Mr. Vijay Kumar Sharma	Member	4
4	Mrs. Seema Sethi*	Member	1

\* Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07<sup>th</sup> February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23<sup>rd</sup> May, 2022. Mr. Sarabjeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23<sup>rd</sup> May, 2022.

The details of Shareholders complaints received so far, resolved and pending during the Financial Year 2021-22 are as follows:

Received	Resolved	Pending
9	9	Nil

Mr. Ankush Jindal, Company Secretary of the Company has been appointed as compliance officer of the Company.

The share transfers approved by the Committee are placed at the Board meetings from time to time.

Name and Designation of compliance officer and Nodal Officer for Investor Education and Protection Fund (IEPF) Compliances:

Name of Company Secretary-cum-compliance officer and Nodal Officer	Mr. Ankush Jindal
Address	Plot No. 74-75-76, Sector 6, Faridabad, Haryana-121 006
Email ID	cs@talbrosaxles.com
Contact No.	0129-4284300

**(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

**(a) Composition of Corporate Social Responsibility Committee, Meetings held during the year and Attendance of Members:**

The Corporate Social Responsibility (CSR)

Committee has been constituted pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The present composition of Committee is One Executive Director and Two Non Executive and Independent Directors. The Committee met 2 times during the financial year ended 31<sup>st</sup> March, 2022.

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			21.06.2021	07.02.2022
1	Mr. Vijay Kumar Sharma	Chairman	Yes	Yes
2	Mr. Sunil Kumar	Member	Yes	Yes
3	Mr. Kuldeep Singh Bhalla	Member	Yes	Yes

**(b) Terms of Reference:**

The Committee is responsible for the following purposes:

- formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in the Companies Act, 2013, its rules and regulations thereof for the time being in force;
- recommendation on the amount of expenditure to be incurred on the various CSR activities;
- monitoring of the CSR Policy of the company from time to time;

- to oversee activities impacting the CSR projects;
- such other acts and deeds in relation to CSR activities of the company, as it may deem fit or as may be assigned to it by the Board of Directors.

**(4) INDEPENDENT DIRECTORS MEETING:**

During the year ended 31<sup>st</sup> March, 2022, the Independent Directors met on 07<sup>th</sup> February, 2022, inter alia to review and discuss:

- (i) the performance of Non Independent Directors and the Board of Directors as a whole;
- (ii) to assess the quality, content and timelines of flow of information between the management and

the Board that is necessary for the Board to effectively and reasonably perform its duties.

There are 4 (Four) independent Directors in the Company and all are present in the meeting.

**(5) DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:**

Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are provided in the explanatory statement annexed to the Notice of Meeting.

**(6) FAMILIARISATION PROGRAMMES FOR DIRECTORS:**

The Company has framed familiarisation programme for its Directors to make them understand their roles,

rights and responsibilities, organisational structure, business model, finance, human resources, technology, Strategy, operations and functions of the Company.

The roles, rights and responsibilities of Independent Directors have been incorporated in their letters of appointment issued to them. The amendments/ updates in statutory provisions are informed from time to time.

The above initiative helps the directors to understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfil the role as Directors of the Company.

The details of familiarisation programme have been uploaded on the Company's website [www.talbrosexles.com](http://www.talbrosexles.com)

**(7) GENERAL BODY MEETINGS:**

**(a) Details of last 3 (Three) Annual General Meetings are as under:**

S. No.	Financial Year	Date	Time	Venue
1	2020-21	28.09.2021	11:00 a.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
2	2019-20	28.09.2020	10:30 a.m.	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
3	2018-19	30.09.2019	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002

**(b) Special Resolutions passed in past 3 Annual General Meetings:**

- (1) At Annual General Meeting held on 30<sup>th</sup> September, 2019
  - a) Appointment of Mr. Sanjay Sharma as an Executive Director of the Company for a tenure of Five (5) years.
- (2) At Annual General Meeting held on 28<sup>th</sup> September, 2020
  - a) Re-appointment of Mr. Vijay Kumar Sharma as an Executive Director of the Company for a tenure of 5 (Five) years w.e.f. 01<sup>st</sup> October, 2020
  - b) Re-appointment of Mr. Kuldeep Singh Bhalla as an Independent Non-Executive Director of the Company for a second consecutive tenure of 5 (Five) years w.e.f. 01<sup>st</sup> April, 2021
- (3) No Special Resolution has been passed at Annual General meeting held on 28<sup>th</sup> September, 2021

**(c) Postal Ballot:**

During the year ended March 31, 2022, no ordinary or special resolution has been passed by the shareholders through Postal Ballot.

**(8) MEANS OF COMMUNICATION:**

Your Company has promptly reported all material information, including declaration of financial results, press releases, etc., to the Stock Exchanges where the securities of your Company are listed. Such information was, also, simultaneously displayed immediately on your Company's website i.e. [www.talbrosexles.com](http://www.talbrosexles.com). The quarterly and half-yearly Financial Results of the Company during the year 2021-22 were published in leading newspapers (English & Hindi), viz., The Financial Express and Jansatta.

The "Limited Review" Reports of the Financial Results for the quarters ended June 30, 2021, September 30, 2021 and December 31, 2021 were obtained from the Statutory Auditors of the Company and filed with the stock exchange(s).

To facilitate prompt correspondence with investors/ shareholders relating to their queries and grievances, the Company has a dedicated Email-id, viz., [cs@talbrosexles.com](mailto:cs@talbrosexles.com).

As part of its 'Green Initiatives', Government has permitted Companies to provide various documents to its Shareholders in electronic form i.e. through e-mail. Your Company is fully committed towards such an initiative and has accordingly requested its Shareholders to provide or update their e-mail ids with their respective DPs/Company Registrar, as the case

may be, and give their option for receiving documents in electronic form.

**(9) GENERAL SHAREHOLDER INFORMATION:**

**(a) Forthcoming AGM: Date, time and venue**

The 36<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 22<sup>nd</sup> August, 2022 at 11:00 a.m. through VC/OAVM.

**(b) Financial Year**

The Financial year of the Company is from April 1<sup>st</sup> to March 31<sup>st</sup> every year.

**Financial Calendar (Tentative)**

For 1 <sup>st</sup> quarter ending 30 <sup>th</sup> June, 2022	First week of August, 2022
For 2 <sup>nd</sup> Quarter / half year ending 30 <sup>th</sup> September, 2022	First week of November, 2022
For 3 <sup>rd</sup> Quarter / nine months ending 31 <sup>st</sup> December, 2022	First week of February, 2022
For 4 <sup>th</sup> Quarter / Year ending 31 <sup>st</sup> March, 2023	Last week of May, 2023
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2023	Last week of September, 2023

**(c) Date of Book Closure**

The register of members and share transfer books of the Company shall remain closed from Wednesday, 17<sup>th</sup> August, 2022 to Monday, 22<sup>nd</sup> August, 2022 (both days inclusive) for annual closing.

**(d) Dividend Payment Date**

The Dividend will be paid within 30 days of the approval of same in Annual General Meeting.

**(e) Listing on Stock Exchanges**

The Company's equity shares are traded on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual listing fees for fiscal 2022-23 has been paid to the above stock exchange.

**(f) Stock Code**

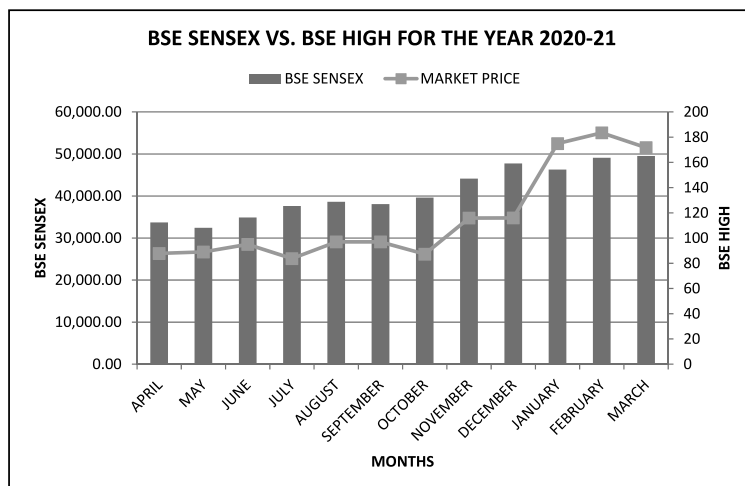
The Stock codes allotted to the Company are as follows:

Name of the Stock Exchange	Stock Code (Scrip Code)
BSE Limited	538987

**(g) Market price Data: High, Low during each month in last financial year**

The Company's equity shares are listed and are available for trading on BSE Limited. The month wise High/Low of Market Price of Company's equity shares traded on BSE Limited (BSE) during the year ended on 31<sup>st</sup> March, 2022 were as follows:

Month(s) 2021-22	Market Price (₹)		BSE Sensex
	High	Low	
April	164.70	138.00	48,782.36
May	165.00	140.45	51,937.44
June	252.00	155.00	52,482.71
July	281.05	228.05	52,586.84
August	299.00	205.60	57,552.39
September	265.00	231.10	59,126.36
October	244.50	202.30	59,306.93
November	298.90	209.50	57,064.87
December	349.00	272.50	58,253.82
January	525.00	290.00	58,014.17
February	415.95	302.05	56,247.28
March	407.00	317.00	58,568.51



**(h) Registrar and Transfer Agents**

M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi – 110 062

**(i) Share Transfer System**

The transfer of shares are processed by the Share Transfer Agent and approved by the Stakeholders Relationship Committee which meets at frequent intervals. All physical share transfers are effected within 15 days of lodgement, subject to the documents being in order and complete in all respects. The Board

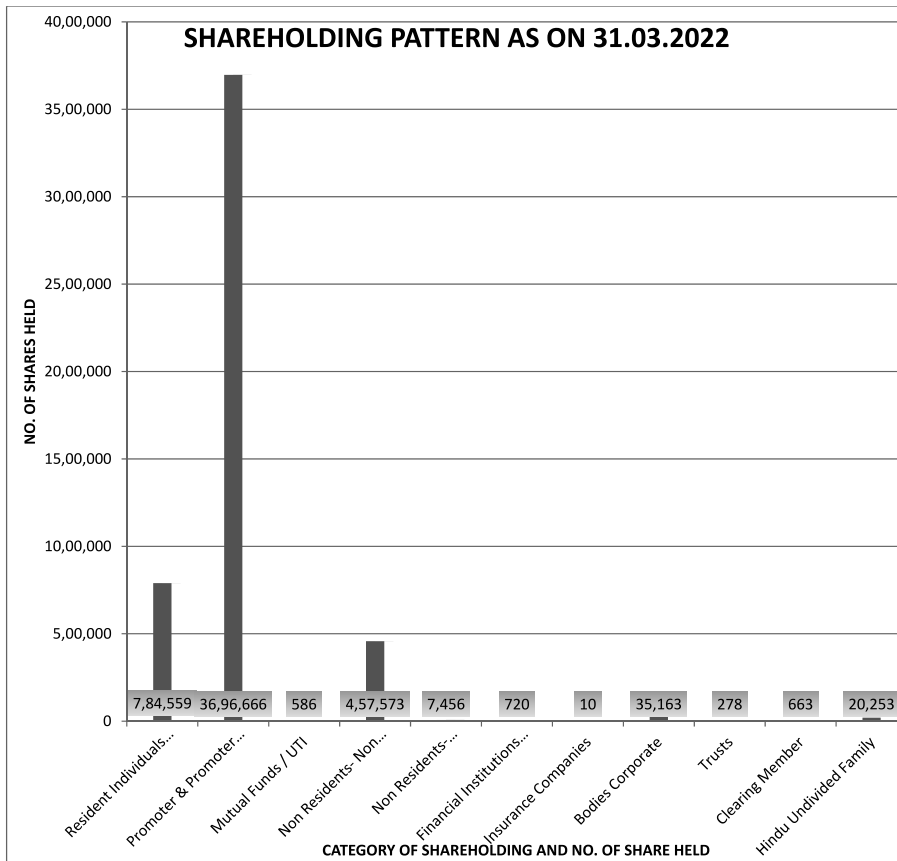
has delegated the authority for approval of transfer, transmission etc to Stakeholders Relationship Committee comprising of One Executive Director and Two Non Executive Directors. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

SEBI, effective from 01<sup>st</sup> April, 2019 has barred transfer of physical shares of the listed companies and mandated transfer through De-mat only. However, investors are allowed to hold the shares in physical form. Further, there is no restriction on transmission of shares.

**(j) Distribution of Shareholding**

(a) *On the basis of Category*

S. No.	Category of Shareholding	Number of shareholders	No. of shares held	% of shareholding
1	Resident Individuals	5,404	7,84,559	15.45
2	Promoters	10	36,96,666	72.82
3	Mutual Funds / UTI	1	586	0.01
4	Non Residents – Non Repatriable	35	4,57,573	9.01
5	Non Residents - Repatriable	37	7,456	0.15
6	Financial Institutions / Banks	3	720	0.01
7	Insurance Companies	1	10	0.01
8	Bodies Corporate	42	35,163	0.69
9	Trusts	1	278	0.01
10	Clearing Member	10	663	0.01
11	Hindu Undivided Family	94	20,253	0.40
12	IEPF Authority	1	72,577	1.43
	<b>TOTAL</b>	<b>5,639</b>	<b>50,76,504</b>	<b>100.00</b>



(b) On the basis of Shares held

Size of Holdings	No. of Share holders	Percentage (%) to Total	No. of shares held	Percentage (%) to Total
Upto 5000	5,423	96.17	3,97,864	7.83
5001 to 10000	95	1.68	71,450	1.41
10001 to 20000	60	1.06	85,044	1.68
20001 to 30000	16	0.28	41,549	0.82
30001 to 40000	12	0.21	42,438	0.84
40001 to 50000	6	0.11	27,118	0.53
50001 to 100000	10	0.18	70,360	1.39
100001 and Above	17	0.31	43,40,681	85.50
<b>TOTAL</b>	<b>5,639</b>	<b>100.00</b>	<b>50,76,504</b>	<b>100.00</b>

(c) On the basis of ownership

S. No.	Category of Shareholder	Number of Shareholders	Total number of shares	% of holding
<b>(A)</b>	<b>Promoters</b>			
1.	<i>Indian Individuals</i>			
(a)	Promoters	10	36,96,666	72.82
<b>(B)</b>	<b>Public Shareholding</b>			
1.	<i>Institutions</i>			
(a)	Mutual Funds / UTI	1	586	0.01
(b)	Financial Institutions / Banks	3	720	0.01
(c)	Insurance Companies	1	10	0.01
2.	<i>Non-institutions</i>			
(a)	Bodies Corporate	42	35,163	0.69
(b)	Individuals	5,404	7,84,559	15.45
(c)	Trusts	1	278	0.01
(d)	Clearing Member	10	663	0.01
(e)	Non Resident Indians – Non Repatriable	35	4,57,573	9.01
(f)	Non Resident Indians – Repatriable	37	7,456	0.15
(g)	Hindu Undivided Family	94	20,253	0.40
(h)	IEPF Authority	1	72,577	1.43
	<b>TOTAL</b>	<b>5,639</b>	<b>50,76,504</b>	<b>100.00</b>

**(k) Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2022, 98.056% of the total shareholding was held in dematerialized form as per details mentioned below:

Particulars	No. of holders	No. of Shares	% of Total Issued Capital
Physical System	1,340	98,685	1.94
NSDL	2,398	36,56,019	72.02
CDSL	1,901	13,21,800	26.04
<b>Total</b>	<b>5,639</b>	<b>50,76,504</b>	<b>100.00</b>

The Demat ISIN of the Company's equity shares is *INE717E01013*.

**(l) Credit Rating**

Your Company has been assigned a rating of BBB+ (Positive Outlook) for Long Term Bank Facilities (Term Loans) of ₹ 1.63 Crores and rating of BBB+/A2 (Positive Outlook) for Short Term Bank Facilities (Fund Based Limits) availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

**(m) Outstanding GDRs/ADRs/Warrants or any other convertible instrument**

There are no outstanding GDRs/ADRs/Warrants or any other convertible instrument.

**(n) Plant Locations**

(a) *Registered and Corporate Office:*  
Plot No. 74-75-76, Sector 6,  
Faridabad, Haryana – 121 006  
Phone: +91-129-4284300  
Fax No.: +91-129-4061541  
Email ID: [cs@talbrosaxles.com](mailto:cs@talbrosaxles.com)

(b) *Unit Locations:*

- (i) Plot No. 35,36,37,38 & 57, Industrial Area, Hathin, Distt. Palwal, Haryana
- (ii) Plot No. 26, Industrial Area, Hathin, Distt. Palwal, Haryana

- (iii) Plot No. 77, Sector 68, IMT, Faridabad, Haryana
- (iv) Plot No. 80, Sector 68, IMT, Faridabad, Haryana
- (v) Plot No. 3, Sector 5, Faridabad, Haryana
- (vi) Plot No. 2 & 3, 20/4, Mathura Road, Nepco Compound, Faridabad, Haryana
- (vii) Plot No. 27, Sector 4, Faridabad, Haryana

**(o) Address for Correspondence**

Registered and Corporate Office:  
Plot No. 74-75-76, Sector 6,  
Faridabad, Haryana – 121 006  
Phone: +91-129-4284300  
Fax No.: +91-129-4061541  
Email ID: [cs@talbrosaxles.com](mailto:cs@talbrosaxles.com)

**(10) OTHER DISCLOSURES:**

1. There are no materially significant transaction made by the Company with its promoters, directors and their relatives or any other related parties which have potential conflict with the interests of the Company at large.
2. **Related Party Policy:** The Board of Directors has adopted and approved Related Party policy for the transactions between related parties. The same has been hosted on the website of the Company [www.talbrosaxles.com](http://www.talbrosaxles.com).
3. **Vigil Mechanism / Whistle Blower Policy:** The Company has formulated and implemented the Vigil Mechanism / Whistle Blower Policy. The policy enables every employee, designated persons, any other person dealing with Company to report to the authorised official and Audit Committee; any instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The aforesaid policy has been hosted on Company's website.
4. **Internal Auditor:** The Company has appointed M/s GRAB and Associates, Chartered Accountants as an Internal Auditors of the Company. The quarterly reports provided by Internal Auditors are presented to the Audit Committee.
5. **Secretarial Auditor:** The Company has appointed M/s Anuj Gupta and Associates, Company Secretaries as Secretarial Auditors of the Company. The Secretarial Report provided for the year end by the Secretarial Auditors is presented to the Audit Committee and Board of Directors.
6. **Fees to Statutory Auditor:** The total fees for all the services rendered by Statutory Auditors has been fixed at ₹ 3.50 Lakhs excluding all applicable taxes.
7. The Company publish its quarterly/half yearly results in English and Hindi newspapers having wide circulation and the same shall not be sent to shareholders household.
8. The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company for the year ended on 31<sup>st</sup> March, 2022. The declaration for the same has been provided by the Executive Director along with financial results.
9. During the year, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A).
10. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.
11. There is no application or proceeding pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year.
12. There is no difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from Bank or Financial Institution.
13. There was no instance of non-compliance by the Company on any matters relating to capital markets; nor was there any penalty/ strictures imposed by the Stock Exchange or SEBI or any other statutory authority on such matters during the last three years.
14. **Confirmation regarding Independent Directors:** Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla, Mr. Sarabjeet Singh and Mrs. Seema Sethi are independent Directors on the Board at present. Based on the declarations provided, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations and amendments thereof.

## DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, We hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2022.

### For and on behalf of the Board

Sd/-

**Vijay Kumar Sharma**

Executive Director

DIN: 06394784

R/o H. No. 309, Sector 3,  
Faridabad, Haryana

Place: Faridabad

Date: 20th June, 2022

Sd/-

**Sanjay Sharma**

Executive Director

DIN: 06394774

R/o H. No. 1002, Sector 8  
Faridabad, Haryana

**COO/CFO CERTIFICATION TO THE BOARD**

*[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]*

We, Tarun Talwar, Chief Operating Officer and Kanwar Pal Pawar, Chief Financial Officer of the Company, Talbros Engineering Limited, to the best of our knowledge and belief, certify that:

- (1) We have reviewed financial statements and cash flow statement for the year ended on 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:-
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These 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.
- (2) to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we 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 these deficiencies.

- (4) We have indicated to the Auditors and the Audit Committee:-
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to financial statements; and
  - (iii) Instances of significant fraud of which they 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.

Sd/  
**Tarun Talwar**  
Chief Operating Officer

Sd/  
**Kanwar Pal Pawar**  
Chief Financial Officer

Place : Faridabad  
Date : 20.06.2022

**INDEPENDENT AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members  
Talbros Engineering Limited

1. We, DSRV and Co. LLP, Chartered Accountants, the Statutory Auditors of Talbros Engineering Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2022 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D, E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

**Management's Responsibility**

2. The Compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certificate of Corporate Governance issued by the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for special purposes (revised 2016) issued by the ICAI.

**Opinion**

6. Based on our examination of the relevant records and according to the best of our information and explanations provided to us, we certify that the Company has complied with the conditions of regulations of Corporate Governance as stipulated in the Listing Regulations referred in paragraph 1 above.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management of the Company has conducted the affairs of the Company.

This certificate is issued solely for the purpose of complying with the aforesaid Listing regulations.

**For DSRV AND CO LLP**  
(Formerly known as Dinesh Mohan & Co.)  
Chartered Accountants  
REGD. NO. AAJ-5358

Place: Faridabad  
Date: 09.06.2022  
UDIN: 22085714AKPNPY2643

Sd/-  
**(D.K AGRAWAL)**  
M.NO : 85714

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Talbro Engineering Limited  
Plot No. 74-75-76, Sector 6,  
Faridabad, Haryana – 121 006

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Talbro Engineering Limited having CIN L74210HR1986PLC033018 and having its Registered Office at Plot No. 74-75-76, Sector 6, Faridabad, Haryana (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors of the Company for the financial year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing

as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Anuj Gupta & Associates**  
Company Secretaries

Sd/-  
**Anuj Gupta**  
Proprietor  
M. No. ACS31025  
CP No. 13025

Place: New Delhi  
Date: 09.06.2022  
UDIN: A031025D000477845

**DECLARATION FOR THE COMPLIANCE WITH CODE OF CONDUCT**

Pursuant to Regulation 34(3) read with Schedule V Para D of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, I Sanjay Sharma, Executive Director of Talbro Engineering Limited, hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Place: Faridabad  
Date: 20.06.2022

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN: 06394774

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**Talbro Engineering Limited**  
Faridabad (Haryana)

**Report on the Audit of the Ind AS Financial Statements****Opinion:**

We have audited the accompanying Ind AS Financial Statements of **TALBROS ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribe under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provision of the Act and Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion

thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we have not have observed any key audit matters required to be reported separately.

**Information Other than the Ind AS Financial Statements and Auditor's Report Thereon:**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management and Board of Director'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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the management and the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statement:**

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by section 143(3) of the Act, based on our audit, 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the AS specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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) Rule 2014, as amended in our opinion and to the best of our information and according to the explanation given to us
    - i) The Company does not have any pending litigation which would impact its Financial position;
    - ii) The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses under the applicable law or accounting standards.
    - iii) There has been no delay in transferring amounts if applicable, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv)
  - (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 38b to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 38b to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013. As stated in notes to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is

subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act.

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For D S R V AND CO LLP**  
(Formerly known as Dinesh Mohan & Co.)  
Chartered Accountants  
FRN: 006993 N

Sd/-

**D.K. AGARWAL**  
(PARTNER)  
M.NO: 85714

Place: Faridabad

Date: 23.05.2022

UDIN No.: 22085714AJKXZG6368

## **ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT**

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

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TALBROS ENGINEERING LIMITED of even date)

We have audited the internal financial controls over financial reporting of **TALBROS ENGINEERING LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of

frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 of the Company.

#### **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 Ind AS 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 Ind AS 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 Ind AS 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, to the best of our information and according to the explanations given to us, 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 March 31, 2022 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).

**For D S R V AND CO LLP**  
(Formerly known as Dinesh Mohan & Co.)  
Chartered Accountants  
FRN: 006993 N

Place: Faridabad  
Date: 23.05.2022  
UDIN No.: 22085714AJKXZG6368

**Sd/-**  
**D.K. AGARWAL**  
(PARTNER)  
M.NO: 85714

### **ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT:**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the

Members of TALBROS ENGINEERING LIMITED of even date). We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are carried out by the company at reasonable intervals. No material discrepancies have been noticed on such verification during the year.
  - (c) Title deeds of all the immovable properties are held in the name of the Company. The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee).
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) As explained to us, the inventory has been regularly verified during the year and the frequency of such verification is reasonable. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets during the year. The Statements filed by the Company with such banks or financial

institutions are in agreement with the books of accounts of the Company.

- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans and advances in the nature of loans during the year to other parties, details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.
- (b) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has granted advances in the nature of Employee loans to its employees.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.
- (g) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it.
- (vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Custom Duty, Excise Duty and Cess and any other material statutory dues applicable to it. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31st March 2022 for a period of more than six months from the date they become payable other than ESI payable on Contractor ₹ 22.75 Lakhs.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination

- of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- (b) According to the information and explanations given to us and on the basis of 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.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints were received by the Company during the year requiring consideration from auditors
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of

meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project.
- (xxi) The Company does not prepare consolidated Financial Statements.

**For D S R V AND CO LLP**

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

**Sd/-**

Place: Faridabad

Date: 23.05.2022

UDIN No.: 22085714AJKXZG6368

**D.K. AGARWAL**

(PARTNER)

M.NO: 85714

**BALANCE SHEET AS AT 31st March 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property plant and equipments	4.1	8,596.42	7,478.72
Intangible Assets	4.2	21.20	24.00
Capital Work in Progress	4.3	938.21	1,037.79
<b>Financial Assets</b>			
Non Current Investments	5	8.60	8.60
Trade receivables	6	0.62	1.44
Loans	7	359.29	325.58
Other non-current assets	8	1,754.12	304.49
<b>Current Assets</b>			
Inventories	9	4,822.78	3,996.60
<b>Financial Assets</b>			
Trade Receivables	10	7,104.10	4,048.34
Cash and Cash Equivalents	11	4.25	373.90
Other Bank Balances	12	9.49	10.69
Loans	13	4.10	6.26
Assets for Current Tax (net)	14	-	32.88
Other Current Assets	15	1,023.39	1,130.76
<b>TOTAL</b>		<b>24,646.58</b>	<b>18,780.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	507.65	507.65
Other Equity	17	8,752.24	6,618.82
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	4,843.26	2,726.17
Provisions	19	46.39	35.32
Deferred Tax Liabilities (Net)	20	298.94	340.40
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	4,947.54	4,842.54
Trade Payables	22	3,440.79	2,695.97
Other financial liabilities	23	1,219.52	809.15
Other Current Liabilities	24	523.81	173.61
Provisions	25	30.39	30.41
Liabilities for current tax(net)	14	36.04	-
<b>TOTAL</b>		<b>24,646.58</b>	<b>18,780.04</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For DSRV AND CO LLP**

(Formerly known as Dinesh Mohan &amp; Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

**(D.K. Agarwal)**

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No.: 22085714AJKXZG6368

For and on behalf of the Board of Directors of

**TALBROS ENGINEERING LIMITED**

Sd/-

**Vijay Kumar Sharma**

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

**Ankush Jindal**

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

Sd/-

**Sanjay Sharma**

Executive Director

DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

**Kanwar Pal Pawar**

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	Notes	Year Ended 31st March, 2022	Year Ended 31st March, 2021
<b>INCOME</b>			
Revenue From Operations (Gross)	26	35,114.18	23,886.39
Other Income	27	109.81	50.54
<b>Total Income</b>		<b>35,223.99</b>	<b>23,936.93</b>
<b>EXPENSES</b>			
Cost of Raw Material Consumed	28	17,849.32	10,916.12
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	29	(1,172.61)	304.25
Employee Benefits Expenses	30	2,383.62	1,823.41
Finance Costs	31	845.24	584.73
Depreciation and Amortization Expense	32	853.40	803.01
Other Expenses	33	11,542.82	8,057.13
<b>Total Expenses</b>		<b>32,301.80</b>	<b>22,488.65</b>
<b>Profit before Exceptional Items and Tax</b>		<b>2,922.20</b>	<b>1,448.27</b>
Exceptional Items		-	-
<b>Profit before Tax</b>		<b>2,922.20</b>	<b>1,448.27</b>
Current Tax	750.00		391.00
Deferred Tax	(41.46)		(16.00)
Taxes For Earlier Years	3.79	712.33	7.93
<b>Profit after Exceptional Items and Tax</b>		<b>2,209.87</b>	<b>1,065.34</b>
<b>Other Comprehensive Income</b>			
i) Items that will not be classified to profit or loss		5.73	8.01
Remeasurement of Defined Benefit Plans			
ii) Items that will be classified to profit or loss		-	2.94
Effective portion of gains/(losses) on hedging instrument in cash flow hedges			
Other Comprehensive Income for the year, net of Taxes		5.73	10.95
<b>Total Other comprehensive income</b>		<b>2,215.60</b>	<b>1,076.29</b>
<b>Earnings per Equity Share (Face Value of ₹ 10/-)</b>			
Basic and Diluted Restated Earnings Per Share		43.64	21.20
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For DSRV AND CO LLP**

(Formerly known as Dinesh Mohan &amp; Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

**(D.K. Agarwal)**

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No.: 22085714AJKXZG6368

For and on behalf of the Board of Directors of

**TALBROS ENGINEERING LIMITED**

Sd/-

**Vijay Kumar Sharma**

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

**Ankush Jindal**

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

Sd/-

**Sanjay Sharma**

Executive Director

DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

**Kanwar Pal Pawar**

Chief Financial Officer

 MCF - 57, Shyam Colony,  
Tigaon Road, Ballabgarh

**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

PARTICULARS	31st March, 2022	31st March, 2021
<b>Net Profit before taxation, and exceptional item</b>	<b>2,922.20</b>	1,448.27
<b>Adjustment for:</b>		
Depreciation	853.40	803.01
Preliminary Expenses W/off	-	-
Interest Paid	845.24	584.73
Loss/(Profit) on Sale of Fixed Assets	(4.50)	(0.06)
Interest Received	-	(6.30)
Exceptional Items	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>4,616.34</b>	<b>2,829.65</b>
<b>Adjustments for:-</b>		
Trade and Other Receivables	(3,054.94)	(943.32)
Inventories	(826.18)	(668.86)
Other Current Assets	(180.55)	(1,001.94)
Trade Payables	744.82	833.86
Other Current Liabilities	470.77	923.92
<b>CASH GENERATED FROM OPERATIONS:</b>	<b>1,770.24</b>	<b>1,973.31</b>
Interest paid	(845.24)	(584.73)
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>925.00</b>	<b>1,388.58</b>
Interest Received	-	6.30
Purchase of Fixed Assets	(1,872.71)	(622.98)
Sale of Fixed Assets	8.19	12.70
Dividend Received	-	-
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1,864.52)</b>	<b>(603.98)</b>
Proceeds from /(Repayment) of long Term Borrowings	2,128.17	(152.12)
Proceeds from Share Capital	-	-
Proceeds from Security Premium	-	-
Dividend paid	(76.15)	-
Dividend Distribution Tax Paid	-	-
Proceeds from /(Repayment) of long Term Loans & Advances	(1,483.34)	(266.65)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>568.68</b>	<b>(418.77)</b>
<b>INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)</b>	<b>(370.84)</b>	365.83
Cash/Cash Equivalents as at 1st April (Opening Balance)	384.58	18.75
Cash/Cash Equivalents as at 31st March (Closing Balance)	13.74	384.58

As per our report of even date

**For DSRV AND CO LLP**

(Formerly known as Dinesh Mohan &amp; Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

**(D.K. Agarwal)**

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No.: 22085714AJKXZG6368

For and on behalf of the Board of Directors of

**TALBROS ENGINEERING LIMITED**

Sd/-

**Vijay Kumar Sharma**

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

**Ankush Jindal**

Company Secretary

M.No. : A26017

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**Sanjay Sharma**

Executive Director

DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

**Kanwar Pal Pawar**

Chief Financial Officer

 MCF - 57, Shyam Colony,  
Tigaon Road, Ballabgarh

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****1 COMPANY OVERVIEW**

Talbros Engineering Limited (the 'Company') is a public company in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing of Rear Axle Shafts. The company caters to both international and domestic market. The company has its manufacturing plants at Plot No 74-75-76, Sector-6, Faridabad-121006, Plot No 35-38 & 57, Industrial Area, Hathin, Palwal, Plot No. 3, Sector 5, Faridabad, Plot No. 2, 20/4, Nepco Compound, Faridabad and Plot No. 77, Sector 68, IMT Faridabad

**2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS****2.1 Statement of Compliance**

- (i) These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable).
- (ii) These Financial Statements were approved for issue by the Board of Directors on **23.05.2022**

**2.2 Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

**2.3 Functional and presentation currency**

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees rounded off to lakhs with two decimals.

**3 SIGNIFICANT ACCOUNTING POLICIES**

These Financial Statements have been prepared in accordance with the Accounting policies, set out below and were consistently applied to all the periods presented unless otherwise stated.

**3.1 Revenue Recognition**

- a) Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty. Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery.
- b) Export benefits are accounted on recognition of export sales. Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.
- c) Interest income is recognised on accrual basis determined by the amount outstanding and the rate applicable and when there is no significant uncertainty as to measurability or collectability exists.

**3.2.1 Property, plant and equipment**

Property, plant and equipment are stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Initial cost of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

**3.2.2 Capital work in progress**

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

**3.2.3 Depreciation**

- a) Depreciation on all fixed assets is charged on straight line method basis (SLM) over the estimated useful life of the assets. Useful life of the assets is determined in accordance with schedule II to the Companies Act, 2013.
- b) During the current year, depreciation has been charged on double and triple shift basis, as per actual running of plants.
- c) Depreciation is not recorded on capital work in progress until construction and installation are complete and asset is ready for its intended use.

**3.2.4 Intangible assets**

Intangible assets are recognized as per the criteria specified in Ind Accounting Standard 38 “ Intangible Assets” and recorded at the consideration paid for acquisition, whenever acquired.

**3.2.5 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**3.2.6 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits having original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and such short-term deposits.

**3.2.7 Impairment of Non-financial assets**

At the end of each year the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with the Ind AS 36 on impairment of assets issued by the Institute of Chartered Accountants of India. An impairment loss is charged to statement of profit and loss in the year in which asset is identified as impaired when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**3.2.8 Inventories**

Cost of inventory comprise of cost of purchase, of conversion and other manufacturing overheads incurred in bringing them to their respective present location and condition. closing inventories have been valued as follows:

- Raw materials, Stores, Spares & Packing Material are valued at lower of cost or net realisable value. Cost is determined on First in First Out (FIFO) basis.
- Finished goods and work in progress are valued at cost. Cost includes variable and fixed overheads allocated to work in progress and finished goods

**3.2.9 Provision for liabilities and charges, Contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the Financial statements.

### **3.2.10 Taxation**

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are applicable at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- b) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
- c) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### **3.2.11 Employee benefit schemes**

Retirement benefits to employees comprise contribution to Provident Fund, Gratuity and Leave Encashment under the scheme of the company. The company makes yearly contribution to the Provident Fund authorities in accordance with the provisions of the relevant statute. The contributions to the provident fund are charged to the statement of profit and loss for the year.

#### **a) Gratuity**

Gratuity is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. Valuation is done on "Projected Unit Credit Method". Gratuity is administered by a trust formed for this purpose through the Group Gratuity with Life Incorporation of India.

#### **b) Leave encashment**

Leave Encashment liability, being a retirement benefit, is accounted for on actuarial valuation basis.

### **3.2.12 Foreign currency transactions**

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss. The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

### **3.2.13 Earnings per share**

Earning Per Share (EPS) is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the Weighted Average Number of equity shares outstanding during the period determined as per Accounting Standard.

For the purpose of calculating Diluted Earning Per share, the Net Profit or Loss for the period attributable to equity shareholders is divided by the Weighted Average Number of shares outstanding during the period determined as per Accounting Standard after adjusting for the effects of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **3.2.14 Cash Flow Statement**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits. Cash flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash payments or receipts. The cash flows from operating, financing and investing activities of the company are segregated.

### **3.2.15 Segment Reporting**

The entire operations of the company relates to only one Segment, VIZ. Automobile Components. Hence, as per IND AS-108 issued by ICAI, there is no reportable Segment

### **3.2.16 Research and development**

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

### **3.2.17 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **3.2.18 Use Of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements.

### **3.2.19 Share Issue Expenses**

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective shares as prescribed under the provisions of companies Act.

### **3.2.20 Derivative Financial Instruments**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cashflow hedge.

### **3.2.21 Hedge Accounting**

- a) Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading reserve and the ineffective portion is recognised immediately in the statement of Profit and Loss
- b) Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss.

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>4 PROPERTY PLANT AND EQUIPMENTS</b>		
4.1 Tangible assets	8,596.42	7,478.72
4.2 Intangible assets	21.20	24.00
4.3 Capital work in progress	21.20	24.00
	<b>938.21</b>	<b>1,037.79</b>
	<b>938.21</b>	<b>1,037.79</b>

**4 PROPERTY PLANT AND EQUIPMENTS**

4.1 Tangible assets

4.2 Intangible assets

4.3 Capital work in progress

**4.1 : PROPERTY PLANT AND EQUIPMENT**

NAME OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK		
	As At 01-04-2021	As At 31.03.2022	Upto 31.03.2021	For the period ended as on 31.03.2022	Total upto 31.03.2022	As At 31.03.2022	As At 31.03.2021
LAND	1,741.88	-	-	-	-	1,741.88	1,741.88
BUILDING	1,877.34	373.57	247.03	62.77	-	1,941.11	1,630.31
PLANT & MACHINERY	8,808.74	1,390.74	5,057.24	715.31	22.09	4,423.63	3,751.50
VEHICLES	331.29	87.56	137.03	36.38	7.28	245.06	194.27
FURNITURE & FIXTURES	55.42	4.92	44.59	3.48	-	12.28	10.84
OFFICE EQUIPMENT	115.67	8.61	91.41	5.97	-	26.90	24.26
ELECTRIC INSTALLATION	224.21	98.59	106.20	22.26	-	194.34	118.01
COMPUTER	66.33	7.52	58.66	3.95	-	11.22	7.66
<b>CURRENT YEAR</b>	<b>13,220.89</b>	<b>1,971.50</b>	<b>5,742.16</b>	<b>850.12</b>	<b>29.37</b>	<b>8,596.42</b>	<b>7,478.72</b>
<b>PREVIOUS YEAR</b>	<b>12,805.87</b>	<b>429.70</b>	<b>4,944.32</b>	<b>799.89</b>	<b>2.05</b>	<b>7,478.72</b>	<b>7,861.55</b>

**4.2 : INTANGIBLE ASSETS**

INTANGIBLE ASSETS	37.16	0.79	13.17	3.59	-	21.20	24.00
<b>CURRENT YEAR</b>	<b>37.16</b>	<b>0.79</b>	<b>13.17</b>	<b>3.59</b>	<b>-</b>	<b>21.20</b>	<b>24.00</b>
<b>PREVIOUS YEAR</b>	<b>35.52</b>	<b>1.64</b>	<b>9.75</b>	<b>3.42</b>	<b>-</b>	<b>24.00</b>	<b>25.78</b>

**4.3 : CAPITAL WORK IN PROGRESS**

CWIP - BUILDING	783.08	330.47	524.03	589.52	-	589.52	783.08
CWIP - PLANT & MACHINERY	254.71	1,456.35	1,362.36	348.69	-	348.69	254.71
<b>CURRENT YEAR</b>	<b>1,037.79</b>	<b>1,786.82</b>	<b>1,886.39</b>	<b>938.21</b>	<b>-</b>	<b>938.21</b>	<b>1,037.79</b>
<b>PREVIOUS YEAR</b>	<b>846.14</b>	<b>578.05</b>	<b>386.41</b>	<b>1,037.79</b>	<b>-</b>	<b>1,037.79</b>	<b>846.14</b>
<b>TOTAL CURRENT YR</b>	<b>14,295.84</b>	<b>3,759.11</b>	<b>1,919.45</b>	<b>16,135.50</b>	<b>29.37</b>	<b>9,555.83</b>	<b>8,540.51</b>
<b>PREVIOUS YEAR</b>	<b>13,687.54</b>	<b>1,009.39</b>	<b>4,954.07</b>	<b>803.31</b>	<b>2.05</b>	<b>8,540.51</b>	<b>8,733.47</b>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>5 NON -CURRENT INVESTMENTS</b>		
<b>UNQUOTED NON TRADE EQUITY INSTRUMENTS(AT COST)</b>		
Investments in equity instruments	8.60	8.60
Talbro Cork Products Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each )(PY. 33000)		
	<u>8.60</u>	<u>8.60</u>
<b>6 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Less than 6 months	0.62	1.44
6 months to 1 year	-	-
<b>Total trade receivables</b>	<u>0.62</u>	<u>1.44</u>
<b>7 OTHER FINANCIAL ASSETS</b>		
Security Deposits	359.29	325.58
	<u>359.29</u>	<u>325.58</u>
<b>8 OTHER NON CURRENT ASSETS</b>		
Capital Advances	1,754.12	304.49
	<u>1,754.12</u>	<u>304.49</u>
<b>9 INVENTORIES</b>		
(Taken, Valued and Certified by the Management)		
Raw Materials	1,637.03	1,983.14
Work-in-Progress	2,893.95	1,758.57
Finished Goods		
Stores, Spares and Loose Tools	151.90	153.41
Scrap	90.99	53.77
Others(Packing Materials)	48.91	47.72
	<u>4,822.78</u>	<u>3,996.60</u>
<b>10 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Less Than 6 months	7,104.10	4,048.34
6 months to 1 year	-	-
1-2 years	-	-
	<u>7,104.10</u>	<u>4,048.34</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>11 CASH AND CASH EQUIVALENTS</b>		
Cash in hand	2.00	0.87
Balances with banks in current Accounts	1.76	372.54
Fixed Deposit with Bank ( Current Maturity )	0.49	0.49
	<u>4.25</u>	<u>373.90</u>
<b>12 OTHER BANK BALANCES</b>		
In dividend accounts	9.49	10.69
Margin Money	-	-
	<u>9.49</u>	<u>10.69</u>
<b>13 LOANS</b>		
<b>Unsecured, Considered Good</b>		
Loans to Employees	4.10	6.26
	<u>4.10</u>	<u>6.26</u>
<b>14 ASSETS FOR CURRENT TAX (Net)</b>		
Advance Income Tax	713.96	423.88
Provision for Income Tax	750.00	391.00
	<u>(36.04)</u>	<u>32.88</u>
<b>15 OTHER CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Prepaid Expenses	11.77	15.07
Advance to Suppliers	843.46	943.51
Other Advances	23.35	18.19
<b>Balances with Statutory/Govt. Authorities:-</b>		
Excise Duty Balance	50.43	50.43
Income Tax Advance	43.63	13.75
Sales Tax Advance	14.59	39.18
Duty Drawback Receivable	36.16	50.63
	<u>1,023.39</u>	<u>1,130.76</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	<u>As at 31st March, 2022</u>	<u>As at 31st March, 2021</u>
<b>16 EQUITY SHARE CAPITAL</b>		
<b>16.1 AUTHORISED SHARE CAPITAL</b>		
51,00,000 (P.Y. 51,00,000) Equity Shares of ₹ 10/- each	510.00	510.00
<b>16.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
50,76,504 (P.Y. 50,76,504) Equity Shares of ₹ 10/- each fully paid up	507.65	507.65
<b>Total Issued, Subscribed and fully paid up capital</b>	<u>507.65</u>	<u>507.65</u>
<b>16.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD</b>		
<b>Equity shares</b>		
At the beginning of the year	5,076,504	5,076,504
Changes due to Prior Period Errors	-	-
Restated Balance at the beginning of Current year	5,076,504	5,076,504
Changes during the Current Year	-	-
<b>Outstanding at the end of the year</b>	<u>5,076,504</u>	<u>5,076,504</u>

**16.4 TERMS/ RIGHTS AND RESTRICTIONS ATTACHED TO EQUITY SHARES**

The company has only one class of equity shares having par value of INR ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

During the year ended 31st March 2021, the amount of dividend per share distributed to equity holders was INR 1.50/- per share. For the Financial year ended on 31st March 2022, the directors have proposed a dividend to Equity Shareholders at 20%, being ₹ 2.00/- per share.

**16.5 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY**

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	%	No. of Shares	%
Rajesh Talwar	1010498	19.91%	1010498	19.91%
Gita Talwar	1011754	19.93%	1011754	19.93%
Rakesh Talwar	592634	11.67%	592634	11.67%
Naini Talwar	294660	5.80%	294660	5.80%
Sartaj K Sahni	451004	8.88%	451004	8.88%
Rakesh Talwar ( HUF)	272414	5.37%	272414	5.37%
Shweta Talwar	368424	7.26%	368424	7.26%

As per the records of the company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

## 16.6 (a) Shares held by Promotors at the End of the year

Name of Promotor	No of Shares	% Share	% Change during the year
Rajesh Talwar	1010498	19.91%	NIL
Gita Talwar	1011754	19.93%	NIL
Shweta Talwar	368424	7.26%	NIL

## 16.6 (a) Shares held by Promotors at the End of Previous year

Name of Promotor	No of Shares	% Share	% Change during the year
Rajesh Talwar	1010498	19.91%	NIL
Gita Talwar	1011754	19.93%	NIL
Shweta Talwar	368424	7.26%	NIL

(All Amount in ₹ Lakhs unless otherwise stated)

	<u>As at 31st March, 2022</u>	<u>As at 31st March, 2021</u>
<b>17 OTHER EQUITY</b>		
17.1 CAPITAL RESERVE	174.87	174.87
17.2 SECURITIES PREMIUM ACCOUNT	179.37	179.37
17.3 REVALUATION RESERVE	7.91	8.21
17.4 GENERAL RESERVE	307.25	307.25
17.5 OTHER RESERVES	76.30	76.30
17.6 RETAINED EARNINGS	8,006.54	5,872.82
	<u>8,752.24</u>	<u>6,618.82</u>
<b>17.1 CAPITAL RESERVE</b>		
As per last balance sheet	174.87	174.87
Add/less: adjustment during the year	-	-
<b>Closing balance</b>	<u>174.87</u>	<u>174.87</u>
<b>17.2 SECURITIES PREMIUM ACCOUNT</b>		
As per last balance sheet	179.37	179.37
Add: Security premium raised during the year	-	-
Less: Bonus Shares Issued	-	-
<b>Closing balance</b>	<u>179.37</u>	<u>179.37</u>
<b>17.3 REVALUATION RESERVE</b>		
Revaluation Reserve	8.21	8.51
Less: Transferred to Profit & Loss A/c	(0.30)	(0.30)
<b>Closing balance</b>	<u>7.91</u>	<u>8.21</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>17.4 GENERAL RESERVE</b>		
As per last balance sheet	307.25	307.25
Add/less: adjustment during the year	-	-
<b>Closing balance</b>	<u>307.25</u>	<u>307.25</u>
<b>17.5 OTHER RESERVES</b>		
<b>Capital Subsidy</b>		
As per last balance sheet	76.30	76.30
Add/less: adjustment during the year	-	-
<b>Closing balance</b>	<u>76.30</u>	<u>76.30</u>
<b>Cash Flow Hedge Reserve</b>		
As per last balance sheet	-	2.94
Other Comprehensive Income (Net of Taxes)	-	(2.94)
<b>Closing balance</b>	<u>-</u>	<u>-</u>
<b>Total Other Reserves</b>	<u>76.30</u>	<u>76.30</u>
<b>17.6 RETAINED EARNINGS</b>		
As per last balance sheet	5,872.82	4,804.54
Profit for the year	2,209.87	1,065.34
Add: Transfer from Other Comprehensive Income	(5.73)	(8.01)
Less : Transfer to General reserve		
Dividend on equity shares	76.15	-
Dividend distribution tax on dividend	-	-
<b>Closing balance</b>	<u>8,000.81</u>	<u>5,861.87</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Remeasurement of Defined Benefit Obligation(net)	5.73	8.01
Cash Flow Hedge reserves	-	2.94
<b>Transfer to retained earnings</b>	<u>5.73</u>	<u>10.95</u>
	<u>8,006.54</u>	<u>5,872.82</u>
<b>18 LONG TERM BORROWINGS</b>		
<b>SECURED BORROWINGS</b>		
Term loans		
From banks	2,791.42	722.55
From others	-	540.20
<b>Total secured long term borrowings (I)</b>	<u>2,791.42</u>	<u>1,262.75</u>
<b>UNSECURED BORROWINGS</b>		
Loans and advances from related parties	2,051.84	1,463.42
From others	-	-
<b>Total unsecured long term borrowings (II)</b>	<u>2,051.84</u>	<u>1,463.42</u>
<b>Total Long Term Borrowings ( I+II )</b>	<u>4,843.26</u>	<u>2,726.17</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

**18.1 The requisite particulars in respect of secured long term borrowings are as under :**

Particulars of loan/security/ guarantee	Terms of Repayment	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>TERM LOANS FROM BANKS</b>			
<b>TERM LOANS FROM HDFC BANK</b>		<b>Closing Balance</b>	
Secured by First pari-passu charge by way of hypothecation of the Company's assets, both present and future, and further secured by equitable mortgage on Plot no. 74-75, Sector-6, Faridabad, Plot No. 35-38, Hathin and exclusive charge on Plot No. 77, Sector -68, Faridabad. Further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is half yearly MCLR with agreed Spread	Monthly payment of equated monthly Installments beginning from the month of disbursement.	<b>2,086.13</b>	111.15
		<b>Current Maturity</b>	
		<b>318.55</b>	111.15
		<b>Non-Current Maturity</b>	
		<b>1,767.58</b>	-
<b>TERM LOANS FROM YES BANK</b>		<b>Closing Balance</b>	
Secured by First pari-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and exclusive charge on Plot no. 76, Sector-6, Faridabad and secured by hypothecation of current assets both present and future. Personal guarantees of President and Chief Operating Officer of the company and NCGTC to the extent of loans advanced under GECL 2.0. Applicable rate of interest is based on half yearly MCLR	Monthly payment of equated Monthly Installments beginning from the month of disbursement.	<b>1,325.36</b>	638.00
		<b>Current Maturity</b>	
		<b>536.90</b>	180.46
		<b>Non-Current Maturity</b>	
		<b>788.46</b>	457.54
<b>TERM LOANS FROM NBFCs</b>		<b>Closing Balance</b>	
Term loans from Bajaj finance Limited are secured by exclusive charge on plant and machinery purchased and procured out of their loan proceeds. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is 8.5% linked to BFL Linked base rate.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	-	834.39
		<b>Current Maturity</b>	
		-	294.19
		<b>Non-Current Maturity</b>	
		-	540.20
<b>WORKING CAPITAL TERM LOAN FROM HSBC BANK</b>		<b>Closing Balance</b>	
Secured by Second pari-passu charge by way of hypothecation of the Company's assets, both present and future, and further secured by equitable mortgage on Plot no. 74-75, Sector-6, Faridabad, Plot No. 35-38, Hathin. 100% Credit Guarantee by NCGTC under the scheme GECL 2.0. The rate of Interest is as agreed between bank and the company for applicable tenor	Monthly payment of equated 48 Monthly Installments after 12 month Moratorium from the date of taking the loan	<b>195.83</b>	200.00
		<b>Current Maturity</b>	
		<b>50.00</b>	3.52
		<b>Non-Current Maturity</b>	
		<b>145.83</b>	196.48
<b>VEHICLE LOANS FROM BANKS</b>		<b>Closing Balance</b>	
Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.30% p.a to 9.00%p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	<b>142.38</b>	103.66
		<b>Current Maturity</b>	
		<b>52.84</b>	35.13
		<b>Non-Current Maturity</b>	
		<b>89.54</b>	68.54

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>19 LONG TERM PROVISION</b>		
Annual Leave Payable	46.39	35.32
<b>Total Long Term Provision</b>	<u>46.39</u>	<u>35.32</u>
<b>20 DEFERRED TAX LIABILITIES</b>		
Fixed Assets	298.94	340.40
<b>Deferred Tax Liability (Net)</b>	<u>298.94</u>	<u>340.40</u>
<b>21 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>Working Capital Loans From Banks *</b>		
HDFC Bank Ltd	558.66	587.86
Yes Bank Ltd	1,208.34	331.61
DBS Bank Ltd	1,179.98	1,712.08
HSBC Bank Ltd	1,042.28	922.33
<b>Short Term Borrowings from Others</b>	-	664.21
Current Maturities of Long Term Debt	958.29	624.45
<b>Total Short Term Borrowings</b>	<u>4,947.54</u>	<u>4,842.54</u>
<b>22 TRADE PAYABLES</b>		
<b>Dues to MSME *</b>		
Less than 1 year	70.49	58.51
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Dues of other than MSME</b>		
Less than 1 year	3,370.30	2,637.46
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total Trade Payables</b>	<u>3,440.79</u>	<u>2,695.97</u>

\* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information provided by the parties to the Company.

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
<b>23 OTHER FINANCIAL LIABILITIES</b>		
Interest accrued and due on Borrowings	-	-
Interest accrued but not due on borrowings	33.20	6.24
Unpaid Dividends	9.49	10.69
Creditors for Expenses	710.52	496.01
Creditors for Capital Expenditure	56.57	34.77
Other Liabilities:-		
Accrued Salary & Benefits	69.91	65.59
Security Job Contractors	31.41	30.21
Other payables	308.43	165.64
	<u>1,220</u>	<u>809</u>
<b>24 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	26.21	11.24
Statutory Dues payable	32.95	31.49
GST payable	371.40	113.08
TDS payable	93.25	17.80
	<u>523.81</u>	<u>173.61</u>
<b>25 PROVISIONS</b>		
Provision for Employee Benefits	30.39	30.41
	<u>30.39</u>	<u>30.41</u>

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>26 REVENUE FROM OPERATIONS</b>		
<b>SALE OF PRODUCTS</b>		
Domestic Sales	24,702.48	17,217.83
Export Sales	8,813.22	5,869.61
	<u>33,515.71</u>	<u>23,087.44</u>
<b>OTHER OPERATING REVENUES</b>		
Other operating revenues	1,598.48	798.95
<b>Total Revenue From Operations</b>	<u>35,114.18</u>	<u>23,886.39</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>27 OTHER INCOME</b>		
Interest Income	-	6.30
Foreign Exchange Fluctuation	109.81	27.87
Other non-operating income ( Misc.Income )	-	16.37
<b>Total Other Income</b>	<b>109.81</b>	<b>50.54</b>
<b>28 COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	1,983.14	580.11
Purchases	17,497.35	12,314.56
Cartage Inward	5.86	4.59
	<b>19,486.35</b>	<b>12,899.26</b>
Closing Stock	<b>(1,637.03)</b>	<b>(1,983.14)</b>
<b>Total Cost of Raw Material Consumed</b>	<b>17,849.32</b>	<b>10,916.12</b>
<b>29 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE</b>		
<b>CLOSING STOCK</b>		
Finished Goods	-	-
Work-in-progress	2,893.95	1,758.57
Scrap	90.99	53.77
	<b>2,984.94</b>	<b>1,812.34</b>
<b>OPENING STOCK</b>		
Finished Goods	-	-
Work-in-progress	1,758.57	2,092.19
Scrap	53.77	24.40
	<b>1,812.34</b>	<b>2,116.59</b>
<b>(Increase) / Decrease In Stock</b>	<b>(1,172.61)</b>	<b>304.25</b>
<b>30 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	2,056.97	1,567.53
Contribution to Provident and other Funds	61.33	51.11
Director's Remuneration	25.20	15.75
Gratuity	3.96	5.87
Staff Welfare Expenses	236.15	183.16
<b>Total Employee Benefits Expense</b>	<b>2,383.62</b>	<b>1,823.41</b>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>31 FINANCE COST</b>		
Interest Expense	570.43	396.13
Other Borrowing Cost	274.81	188.60
<b>Total Finance Cost</b>	<u>845.24</u>	<u>584.73</u>
<b>32 DEPRECIATION AND AMORTISATION</b>	-	
Depreciation on Tangible Assets	853.70	803.31
Amount transferred from Revaluation Reserve	(0.30)	(0.30)
<b>Total Depreciation and Amortisation</b>	<u>853.40</u>	<u>803.01</u>
<b>33 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSE</b>		
Stores, Spares and Tools Consumed	4,314.98	2,951.03
Power & Fuel	2,592.13	1,933.49
Processing Charges	934.89	850.06
Repairs & Maintenance :		
Buildings	106.29	49.82
Plant & Machinery	696.66	462.63
Other	69.17	47.31
<b>Total Manufacturing Expense ( I )</b>	<u>8,714.11</u>	<u>6,294.33</u>
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, Rates and Taxes	156.05	83.06
Insurance	40.84	27.12
Travelling Expenses	12.68	5.89
Commission on Sale	16.06	17.75
Packing Expenses	830.09	514.92
Advertisement & Sales Promotion	1.75	2.61
Printing & Stationary	11.68	9.01
Postage & Telegram	1.33	1.10
Telephone Expenses	6.74	7.20
Legal & Professional Charges	73.38	63.73
Membership & Subscription	0.24	0.91
Charity & Donation	1.41	1.35
Corporate Social Responsibility Expense	20.52	27.71
Security Services	102.35	93.11
Miscellaneous Expenses	15.49	1.24
Loss on Sale of Fixed Assets ( Net )	(4.50)	(0.06)
Conveyance Expenses	7.07	5.52
Vehicles Running & Maintenance	18.53	13.39
Freight Outward	1,513.30	879.55
Auditors Remuneration :-	-	-
Audit Fees	3.50	7.50
Director's Sitting Fee	0.20	0.20
<b>Total Administrative Expense ( II )</b>	<u>2,828.70</u>	<u>1,762.80</u>
<b>Total Other Expenses ( I+II )</b>	<u>11,542.82</u>	<u>8,057.13</u>

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>34 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES</b>		
a) <b>Gross amount required to be spent during the year</b>	<b>20.52</b>	19.58
Amount unspent for Previous financial year	-	8.05
<b>Total Amount to be spent on CSR for the year</b>	<b>20.52</b>	27.63
b) Amount spent during the year on		
i) Construction/ acquisition of any asset	<b>NIL</b>	NIL
ii) On purposes other than i) above	<b>20.52</b>	27.71
c) <b>Nature of CSR Activities</b>		
Education and Promoting Education, Health Care, Orphanage/Old Age Home and Animal Welfare		
<b>35 SEGMENT REPORTING</b>		
The entire operations of the company relates to only one operating Segment, VIZ. Automobile Components. Hence, as per Ind AS-108 issued by ICAI, there is no reportable Segment		
<b>36 FOREIGN CURRENCY TRANSACTIONS:</b>		
I. <b>CIF Value of Imports :</b>		
a) Plant & Machinery	-	-
II. <b>Expenditure in Foreign currency</b>		
a) Commission on Export Sales	<b>6.88</b>	18.27
b) Foreign Travel (Foreign Exchange Utilized)	-	-
c) Repair & Maint. ( Plant & Mach. )	<b>4.93</b>	0.42
d) Fixed Assets	-	43.90
III. <b>Earnings in Foreign Exchange</b>		
* Value of Export on F.O.B. basis	<b>8,311.43</b>	5,737.34
IV. <b>Dividend paid in Foreign Currency</b>		
Details of amount remitted during the year in foreign currency on account of dividend	<b>0.01</b>	0.01
<b>37 EARNING PER SHARE</b>		
Earning per Share computed in accordance with Accounting Standard (Ind AS-33)		
a) <b>Numerator</b>		
Net profit after taxation as per Statement of Profit and Loss (before Exceptional items)	<b>2,215.60</b>	1,076.29
Net profit after taxation as per Statement of Profit and Loss (After Exceptional Items)	<b>2,215.60</b>	1,076.29
b) <b>Denominator</b>		
No. of Shares at the beginning of the year	<b>5,076,504</b>	5,076,504
Total Equity shares outstanding at the end of the year	<b>5,076,504</b>	5,076,504
Weighted Average no of Equity shares for the year	<b>5,076,504</b>	5,076,504
Weighted Average of Diluted Equity shares for the year	<b>5,076,504</b>	5,076,504
c) <b>Face value per Share (₹)</b>	<b>10</b>	10
d) <b>Earning Per Share</b>		
Basic and Diluted (before Exceptional Items)	<b>43.64</b>	21.20
Basic and Diluted (After Exceptional Items)	<b>43.64</b>	21.20

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All Amount in ₹ Lakhs unless otherwise stated)

**38 ASSETS TAKEN ON OPERATING LEASE AS PER IND AS-17**

- (a) The Company has during the year taken assets on non-cancellable operating lease. The Minimum lease payments charged to Profit & Loss account during the year for the Company is ₹ Lakhs **91.26**
- (b) Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the company are as follows:

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Not later than one year	<b>96.90</b>	69.74
Later than one year and not later than five years	<b>529.38</b>	263.50
Later than five years	-	0.00

**39 CONTINGENT LIABILITIES AND COMMITMENTS  
CONTINGENT LIABILITIES**

- |   |               |          |
|---|---------------|----------|
| a) Guarantees   | <b>8.00</b>   | 8.00     |
| b) Bills discounted from Kotak Mahindra Bank Ltd with recourse, not due for payment           | <b>973.96</b> | 974.81   |
| c) Estimated amount of contracts remaining to be executed on capital account and not provided |               |          |
| Total value of Contracts  | <b>893.54</b> | 1,272.93 |
| Contracts Remaining to be executed  | <b>632.87</b> | 920.70   |

**40 LICENSED AND INSTALLED CAPACITY**
**Licensed Capacity**

Installed Capacity Per Annum ( As certified by the Management and relied upon by the Auditors being a technical matter)

Actual Production

	<b>Axles Shafts (Nos.)</b>	<b>Axles Shafts (Nos.)</b>
	<b>N.A.</b>	<b>N.A.</b>
Installed Capacity Per Annum ( As certified by the Management and relied upon by the Auditors being a technical matter)	<b>2400000</b>	2100000
Actual Production	<b>1955503</b>	1564249

**41 TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC.**

<b>TURNOVER</b>		<b>For the Year Ended 31st March, 2022</b>		<b>For the Year Ended 31st March, 2021</b>	
<b>Finished Goods:</b>	<b>UOM</b>	<b>Quantity</b>	<b>Value</b>	<b>Quantity</b>	<b>Value</b>
Axle Shafts	Nos.	<b>1955503</b>	<b>33,515.71</b>	1564249	23,087.44
Scrap and Others	Kgs.	<b>3967377</b>	<b>1,271.28</b>	2835800	611.02
<b>Total</b>			<b>34,786.98</b>		23,698.46
<b>STOCK OF GOODS</b>					
<b>Opening Stock:</b>					
Axle Shafts	Nos.	-	-		-
<b>Closing Stock:</b>					
Axle Shafts	Nos.	-	-		-

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**
**42 CONSUMPTION ANALYSIS**
**42.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-**

(₹ in Lakhs)

TURNOVER	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
	Quantity	Value	Quantity	Value
Metallic Rods	26726510	17,849.32	20960754	20,960,754
Indigenous	100%	17,849.32		100%
<b>Total</b>	<b>100%</b>	<b>17,849.32</b>		<b>100%</b>

**42.2 COMPOSITIONS OF STORES, SPARES AND TOOLS CONSUMED:-**

(₹ in Lakhs)

TURNOVER	For the Year Ended 31st March, 2022		For the Year Ended 31st March, 2021	
	Quantity	Value	Quantity	Value
Indigenous	100%	4,314.98	100%	2,951.03
<b>Total</b>	<b>100%</b>	<b>4,314.98</b>	<b>100%</b>	<b>2,951.03</b>

**43 RELATED PARTY DISCLOSURE AS PER (IND AS-24) ISSUED BY ICAI:-**
**43.1 KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES**

Mr. Tarun Talwar	C.O.O.
Mr. Sanjay Sharma	Director
Mr. Vijay Kumar Sharma	Director
Mr. Ankush Jindal	Company Secretary
Mr. Kanwar Pal Pawar	CFO
Mr. Tarun Talwar (HUF)	HUF of Mr. Tarun Talwar
Mr. Rajesh Talwar	Father of Tarun Talwar
Ms. Gita Talwar	Mother of Mr. Tarun Talwar
Ms. Sameena Talwar	Sister of Mr. Tarun Talwar
Ms. Shweta Talwar	Wife of Mr. Tarun Talwar

Nature of Transaction	Name of Person	Transaction Amount		Receivables/(Payables)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
SALARY	MR. TARUN TALWAR	67.57	52.80	(3.49)	(2.72)
PERFORMANCE BONUS		35.00	20.00	-	-
UNSECURED LOANS RECD.	TARUN TALWAR HUF	50.00	-	(50.00)	-
INTT. ON LOAN		2.96	-	-	-
SALARY	MR. SANJAY SHARMA	13.64	12.15	(0.94)	(0.89)
SALARY	MR. VIJAY KUMAR SHARMA	12.07	11.78	(0.96)	(0.90)
SALARY	MR. ANKUSH JINDAL	9.06	7.84	(0.69)	(0.64)
SALARY	MR. KANWAR PAL PAWAR	4.86	4.24	(0.37)	(0.35)
SALARY		54.37	31.20	(3.20)	(1.90)
PERFORMANCE BONUS		35.00	-	-	-
UNSECURED LOANS RECD.	MR. RAJESH TALWAR	145.00	30.00	(352.73)	(215.75)
UNSECURED LOANS REPAID		8.02	37.75	-	-
INTT. ON LOAN		21.45	19.99	-	-

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

Nature of Transaction	Name of Person	Transaction Amount		Receivables/(Payables)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
UNSECURED LOANS RECD.	MS. GITA TALWAR	690.00	308.00	(1,033.14)	(592.30)
UNSECURED LOANS REPAID		249.16	307.10	-	-
INTT. ON LOAN		66.36	60.55	-	-
SALARY	MS. SAMEENA TALWAR	12.40	-	(1.60)	-
UNSECURED LOANS RECD.	MS. SHWETA TALWAR	56.50	208.00	(222.84)	(262.86)
UNSECURED LOANS REPAID		96.52	5.00	-	-
INTT. ON LOAN		18.18	13.50	-	-

**43.2 ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES HAVING SIGNIFICANT INFLUENCE**

Nature of Transaction	Name of Person	Transaction Amount		Receivables/(Payables)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Job Work Charges Paid	J.T.Engineering	7.20	5.64	(2.54)	0.06
Rent Paid	Private Limited.				

**44.1 LEAVE ENCASHMENT**

Following Basis were adopted for the computation of the said liabilities

- Mortality Table : LIC 1994-96 Ultimate
- Suitable adjustment in respect of withdrawals and other Restrictive provisions.
- Future ( expected ) payment based on terminal salary.

	Numbers of Employees	Actuarial Value of Leave Encashment	Numbers of Employees	Actuarial Value of Leave Encashment
	31.03.2022		31.03.2021	
Determined by assuming salary rise of 6% per annum have been discounted by assuming the imputed rate of interest of 8 % per annum	193	46.39	198	35.32

**44.2 GRATUITY**

Assumptions		
Discount Rate	6.80%	6.80%
Salary Escalation	6.00%	6.00%

**EMPLOYEE BENEFITS**
**Defined Contribution Plans :-**

The Company has recognised INR 3,96,056/- as expenses in the Statement of Profit and loss account for the year, (P.Y. INR 5,86,970/- )

**Defined Benefit Plans :-**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded.

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2022).

**Plan Liability**

The actuarial value of gratuity liability calculated on the above assumptions works out as under.

<b>Date Ending</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Present value of obligation as at the end of the period</b>	<b>174.71</b>	<b>174.00</b>
<b>Service Cost</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Current Service Cost	<b>11.43</b>	11.53
b) Past Service Cost including curtailment Gains/Losses	-	-
c) Gains or Losses on Non routine settlements	-	-
d) Total Service Cost	<b>11.43</b>	11.53
<b>Net Interest Cost</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Interest Cost on Defined Benefit Obligation	<b>11.83</b>	11.46
b) Interest Income on Plan Assets	<b>12.04</b>	9.75
c) Net Interest Cost (Income)	<b>(0.21)</b>	1.71
<b>Change in Benefit Obligation</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Present value of obligation as at the beginning of the period	<b>174.00</b>	168.56
b) Acquisition adjustment	-	-
c) Interest Cost	<b>11.83</b>	11.46
d) Service Cost	<b>11.43</b>	11.53
e) Past Service Cost including curtailment Gains/Losses	-	-
f) Benefits Paid	<b>(15.54)</b>	(8.04)
g) Total Actuarial (Gain)/Loss on Obligation	<b>(7.01)</b>	(9.50)
h) Present value of obligation as at the End of the period	<b>174.71</b>	174.00
<b>Bifurcation of Actuarial Gain/Loss on Obligation</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption	<b>(5.28)</b>	-
c) Actuarial (Gain)/Loss on arising from Experience Adjustment	<b>(1.74)</b>	(9.50)
<b>Actuarial Gain/Loss on Plan Asset</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Expected Interest Income	<b>12.04</b>	9.75
b) Actual Income on Plan Asset	<b>12.68</b>	10.95
c) Actuarial gain /(loss) for the year on Asset	<b>0.64</b>	1.20

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

<b>Balance Sheet and related analysis</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Present Value of the obligation at end	<b>174.71</b>	174.00
b) Fair value of plan assets	<b>212.00</b>	177.10
c) Unfunded Liability/provision in Balance Sheet	<b>37.29</b>	3.09

<b>The amounts recognized in the income statement.</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Total Service Cost	<b>11.43</b>	11.53
b) Net Interest Cost	<b>(0.21)</b>	1.71
c) Expense recognized in the Income Statement	<b>11.22</b>	13.24

<b>Other Comprehensive Income (OCI)</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b) Actuarial gain / (loss) for the year on PBO	<b>7.01</b>	9.50
c) Actuarial gain /(loss) for the year on Asset	<b>0.64</b>	1.20
d) Unrecognized actuarial gain/(loss) for the year	<b>7.65</b>	10.71

<b>Change in plan assets</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Fair value of plan assets at the beginning of the period	<b>177.10</b>	143.34
b) Actual return on plan assets	<b>12.68</b>	10.95
c) Employer contribution	<b>37.76</b>	30.85
d) Benefits paid	<b>(15.54)</b>	(8.04)
e) Fair value of plan assets at the end of the period	<b>212.00</b>	177.10

<b>Major categories of plan assets (as %age of total plan assets)</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Government of India Securities	-	-
b) State Government securities	-	-
c) High Quality Corporate Bonds	-	-
d) Equity Shares of listed companies	-	-
e) Property	-	-
f) Funds Managed by Insurer	<b>100%</b>	100%
g) Bank Balance	-	-
<b>Total</b>	<b>100%</b>	100%

<b>Change in Net Defined Benefit Obligation</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Net defined benefit liability at the start of the period	<b>(3.09)</b>	25.22
b) Acquisition adjustment	-	-
c) Total Service Cost	<b>11.43</b>	11.53
d) Net Interest cost (Income)	<b>(0.21)</b>	1.71
e) Re-measurements	<b>(7.65)</b>	(10.71)
f) Contribution paid to the Fund	<b>(37.76)</b>	(30.85)
g) Benefit paid directly by the enterprise	-	-
h) Net defined benefit liability at the end of the period	<b>(37.29)</b>	(3.09)

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

<b>Bifurcation of PBO at the end of year in current and non current.</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Current liability (Amount due within one year)	<b>44.99</b>	44.45
b) Non-Current liability (Amount due over one year)	<b>129.72</b>	129.55
<b>Total PBO at the end of year</b>	<b>174.71</b>	174.00

<b>Expected contribution for the next Annual reporting period.</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
a) Service Cost	<b>14.47</b>	13.25
b) Net Interest Cost	<b>(2.70)</b>	(0.21)
c) Expected Expense for the next annual reporting period	<b>11.78</b>	13.04

**45 DERIVATIVE FINANCIAL INSTRUMENTS**

The Company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire derivative instruments for trading or speculation purposes. All cash flow hedge taken out by the company during the year comprise of derivative hedging instruments for hedging the foreign currency exchange risks of highly probable forecast transactions. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s).

The Company has entered into forward exchange contracts for hedging highly probable forecast transaction and accounts for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity until the hedged transaction occurs, at which time the gains or losses are reclassified into statement of profit and loss.

The Cash flows related to the above hedge occurred during financial year ending on 31st March 2021 and consequently impact the statement of profit or loss of the year depending upon changes in foreign currency exchange rate movements.

**46 ADDITIONAL REGULATORY INFORMATION**

i) Title Deeds of immovable properties not held in the name of Company

ii) Loans and Advances to Promoters, Directors KMPs or related parties

iii) **CWIP Aging Schedule**

<b>CWIP</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3 Yrs above</b>	
Building Under Construction	147.30	54.65	123.48	264.08	589.52
Plant & Machinery under Installation	348.69	-	-	-	348.69
	<b>495.99</b>	<b>54.65</b>	<b>123.48</b>	<b>264.08</b>	<b>938.21</b>

iv) The Company has borrowings from Banks and Financial Institutions on the basis of security of Current Assets. The Statement of current assets filed by the Company with Banks and Financial Institutions are in agreement with books of accounts.

v) **Financial ratios**

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>% age Change</b>
a) Current Ratio	<b>2.47</b>	2.59	-4.57%
b) Debt Equity Ratio	<b>0.63</b>	0.47	33.26%
c) Debt Service Coverage Ratio	<b>3.93</b>	3.26	20.76%
d) Return on Equity Ratio	<b>0.24</b>	0.15	59.64%
e) Inventory Turnover Ratio	<b>7.28</b>	5.98	21.82%
f) Trade Receivables Turnover Ratio	<b>4.94</b>	5.90	-16.23%

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

	<b>31.03.2022</b>	<b>31.03.2021</b>	<b>% age Change</b>
<b>g)</b> Trade Payables Turnover Ratio	<b>9.14</b>	8.12	12.52%
<b>h)</b> Net Capital Turnover Ratio	<b>3.79</b>	3.35	13.14%
<b>i)</b> Net Profit Ratio	<b>0.08</b>	0.06	37.12%
<b>j)</b> Return on Capital Employed	<b>0.41</b>	0.29	42.62%
<b>k)</b> Return on Investment	-	-	-

**Items included in Numerator and Denominator for computing ratios explained as follows:**

a) Current Ratio	Current Assets over Current Liabilities
b) Debt Equity Ratio	Debt Over Total Shareholders Equity
c) Debt Service Coverage Ratio	Earnings before Interest and Tax over current Maturities of Long Term Debt
d) Return on Equity Ratio	Profit after Tax over Shareholders Equity
e) Inventory Turnover Ratio	Revenue from operations over average Inventory
f) Trade Receivables Turnover Ratio	Revenue from operations over average trade receivables
g) Trade Payables Turnover Ratio	Cost of Goods Sold over Average Trade payables
h) Net Capital Turnover Ratio	Revenue from operations over equity
i) Net Profit Ratio	Net profit over Total Income
j) Return on Capital Employed	Profit before interest and Tax over average capital employed
k) Return on Investment	Interest income, net gain on sale of investments and net fair value gain over average investments.

**Explanation for Variance Exceeding 25%**

- a) Debt Equity Ratio has reduced on account of increased Debt borrowing by the Company for upcoming Expansion.
- b) Return on Equity Ratio has improved because of Increased profits for the year.
- c) Net profit Ratio has improved because of Improvement in Operational Margins during the year
- d) Return on Capital Employed has improved over last year on account of increased EBIDTA during the year
- 47** In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.
- 48** Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.
- 49** All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.
- 50** Current year figures are shown in bold prints

As per our report of even date  
**For DSRV AND CO LLP**  
 (Formerly known as Dinesh Mohan & Co.)  
 Chartered Accountants  
 FRN: 006993 N

Sd/-  
**(D.K. Agarwal)**  
 Partner  
 Membership No. 85714

Place : Faridabad  
 Date : 23.05.2022  
 UDIN No.: 22085714AJKXZG6368

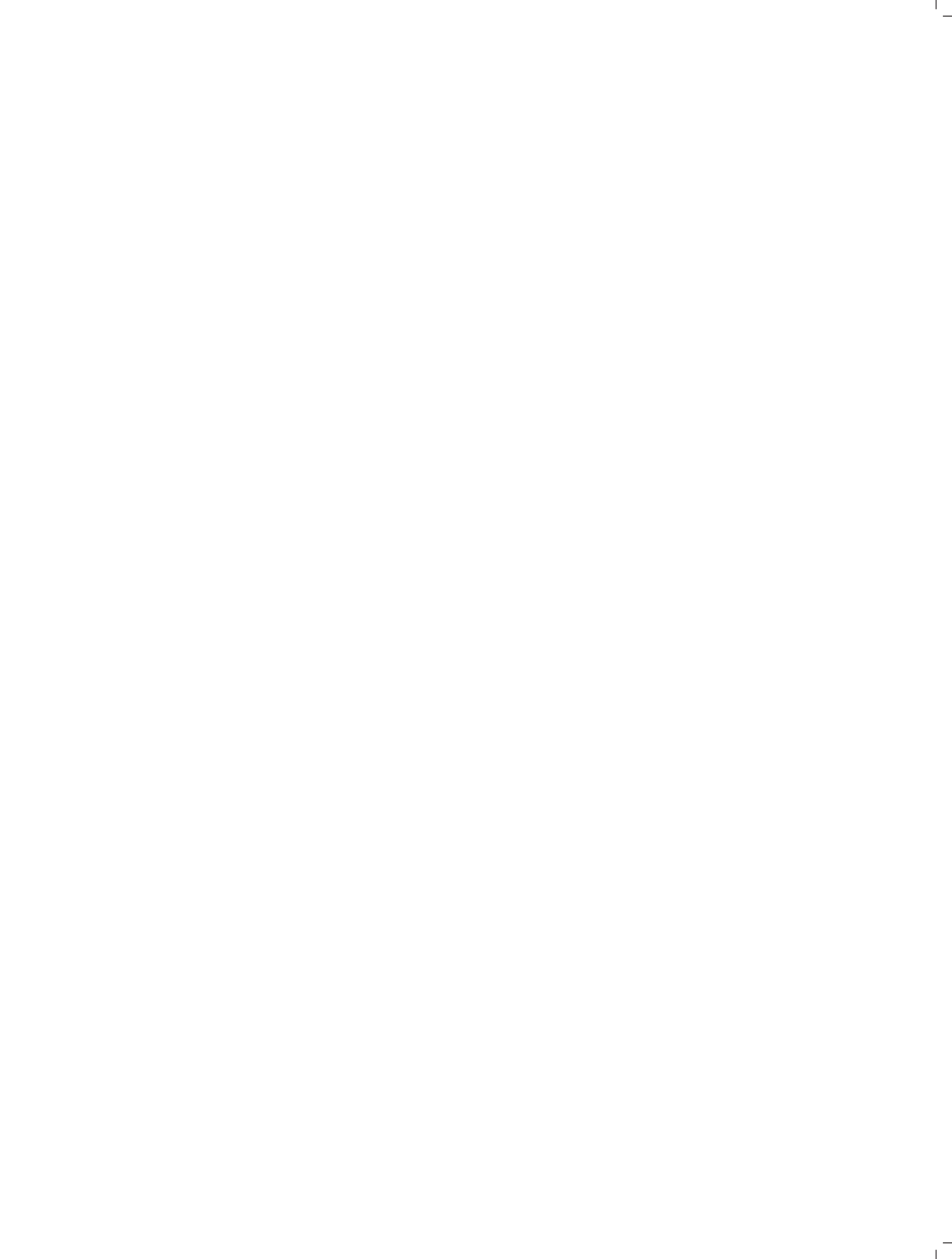
For and on behalf of the Board of Directors of  
**TALBROS ENGINEERING LIMITED**

Sd/-  
**Vijay Kumar Sharma**  
 Executive Director  
 DIN: 06394784  
 H.No. 309, Sector-3, Faridabad

Sd/-  
**Ankush Jindal**  
 Company Secretary  
 M.No. : A26017  
 H.No. 37, Sector -55, Faridabad

Sd/-  
**Sanjay Sharma**  
 Executive Director  
 DIN: 06394774  
 H.No. 1002, Sector 8, Faridabad

Sd/-  
**Kanwar Pal Pawar**  
 Chief Financial Officer  
 MCF - 57, Shyam Colony,  
 Tigaon Road, Ballabgarh





**TALBROS ENGINEERING LIMITED**

**CIN No.: L74210HR1986PLC033018**

**Regd. Office:** Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006

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