

DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 35th 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 31st March 2021.

FINANCIAL RESULTS: (₹ in Lacs)

| Particulars | Year Ended 31 st March, 2021 | Year Ended 31 st March, 2020 |
|---|--|--|
| Revenue from Operations | | |
| - Sale of Products | 23,087 | 20,732 |
| - Other Operating revenues | 799 | 891 |
| Total Revenue from Operations | 23,886 | 21,623 |
| Other Income | 51 | 112 |
| Total Income | 23,937 | 21,735 |
| Profit before Interest, Depreciation & Tax | 2,836 | 2,008 |
| Less: Interest | 585 | 720 |
| Depreciation | 803 | 783 |
| Exceptional Items | NIL | NIL |
| Profit Before Tax and After Exceptional Items | 1,448 | 505 |
| Less: Previous Year adjustments | 8 | (26) |
| Provision for current year income-tax | 391 | 77 |
| Provision for Deferred Tax | (16) | 52 |
| Net Profit after tax | 1,065 | 402 |
| Net profit after tax and adjustments | 1,065 | 402 |
| Other Comprehensive Income | | |
| - Items that will not be classified to profit or loss | 8 | (15) |
| - Items that will classified to profit or loss | 3 | (3) |
| Total Income | 1,076 | 384 |
| EPS (Basic) | 21.20 | 7.57 |
| EPS (Diluted) | 21.20 | 7.57 |

REVIEW OF OPERATIONS:

The Company has achieved net revenue from operations of ₹ 23,886 Lakhs in this financial year ended on 31st March, 2021 as against 21,623 Lakhs for the previous financial year. The net profit after tax for this year is ₹ 1,065 Lakhs as compared to ₹ 402 Lakhs for the previous financial year.

Reserves & Surplus as on 31st March, 2021 stand at ₹ 6,619 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 ₹ 1.50/- per equity share of the face value of ₹ 10/- each (@15%), 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 31st March, 2021 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 ₹ 1,62,990/- pertaining to unclaimed and unpaid dividend for the financial year 2012-13. Further, 13,356 corresponding shares were transferred as per the requirements of IEPF Rules. The details are provided on our website 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.

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 has 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 2020-21. 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 2020-21 stands at ₹ 5,870 Lakhs as against ₹ 4,364 Lakhs in the previous fiscal.

BORROWINGS:

The Company's consolidated borrowings as on March 31, 2021 was ₹ 7,569 Lakhs as against ₹ 5,889 Lakhs as at March 31, 2020.

CREDIT RATING:

Your Company has been assigned a rating of BBB+ (Negative outlook) for Long Term Bank Facilities (Term Loans) of ₹ 5.59 Crores and rating of BBB+/A2 (Negative 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.

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, Mr. Vijay Kumar Sharma, Executive Director of the Company has been re-appointed for a tenure of 5 (Five) years commencing from 01st October, 2020, Mr. Kuldeep Singh Bhalla, Independent Non-Executive Director of the Company has been re-appointed for a tenure of 5 (Five) years commencing from 01st April, 2021 and appointment of Mr. Sarabjeet Singh as an Independent Non-Executive Director has been confirmed in Annual General Meeting held on 28th September, 2020.

Mr. Vijay Kumar 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 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.

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 4 (Four) 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 2020-21.

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.

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.

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.

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 except the impact arising out of COVID-19 pandemic situation.

Since fiscal 2020 was a highly volatile and challenging year, COVID-19 has impacted business, human lives and global economy in way never imagined. As the infection cases were rising exponentially, the business has been carried out keeping in mind all safety protocols for employees and their families. During the multiple lockdowns levied by the regulatory authorities in early 2021, the business of the Company continued with the due permissions and minimum staff.

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. 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 31st Annual General Meeting held on 28th September, 2017, till the conclusion of 36th 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. The Ministry of Corporate Affairs vide their notification dated 7th May, 2018 has dispensed the requirement of ratification of Statutory Auditors at each Annual General Meeting.

The Statutory Auditors Report for Financial Year 2020-21 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 31st March, 2021. 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 31st March, 2021 is being attached with the Director's Report as Annexure – B which is self explanatory and needs no comments.

Pursuant to recent 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 6th August, 2021 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 organisation 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://talbrosexles.com/pdf/composition-committees17.pdf>

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

CSR Projects: <https://talbrosexles.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): ₹ 9.79 Crores
7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 19.58 Lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 8.05 Lakhs (unspent amount FY 2019-20)
(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): ₹ 27.63 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 |
| 27.71 | 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 | 0.36 | Yes | 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 | 2.00 | No | Chetna Welfare Society (Regd.) | - |
| 3 | Education | (ii) | No | Delhi | New Delhi | 2.00 | No | RBTH Singh Memorial Charitable Hospital Society | - |
| 4 | Health Care | (i) | No | Delhi | New Delhi | 5.60 | No | Parashar Foundation, Savera Association, Milaap, Breast Cancer Patients Benefit Foundation | - |
| 5 | Health Care | (i) | Yes | Haryana | Faridabad | 1.00 | Yes | NA | - |
| 6 | Health Care | (i) | Yes | Haryana | Faridabad | 2.50 | No | National Association for the Blind | - |
| 7 | Orphanage / Old Age Home | (iii) | Yes | Haryana | Faridabad | 2.00 | No | Saint Hardayal Education & Orphans Welfare Society | - |
| 8 | Orphanage / Old Age Home | (iii) | No | Delhi | New Delhi | 2.00 | No | Param Shakti Peeth | - |
| 9 | Health Care | (i) | No | Gujarat | Ankleshwar | 3.00 | No | HMP Gramya and Vokas Kalyan Foundation | - |
| 10 | Animal Welfare | (iv) | Yes | Haryana | Faridabad | 7.25 | No | Shri Gopal Gaushala, Gow Raksha Sadan and People for Animals Trust | - |
| | TOTAL | | | | | 27.71 | | | |

(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): ₹ 27.71 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 | 2019-20 | NIL | 8.05 | NA | NIL | NA | NIL |
| 2 | 2018-19 | NIL | NIL | NA | NIL | NA | NIL |
| 3 | 2017-18 | 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

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:

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

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 | 12.15 | 6.99 |
| Mr. Vijay Kumar Sharma | Executive Director | 11.78 | 6.78 |
| 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 |

(b) Percentage increase in remuneration of Directors and KMPs

(Amount in ₹ Lacs)

| Name of the Director/KMP | Designation | Remuneration for the year ended 2020-21 | Remuneration for the year ended 2019-20* | % change during the year |
|--------------------------|----------------------|---|--|--------------------------|
| Mr. Sanjay Sharma* | Executive Director | 12.15 | 12.14 | 0.08 |
| Mr. Vijay Kumar Sharma | Executive Director | 11.78 | 12.52 | (5.91) |
| 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. Ankush Jindal | Company Secretary | 7.84 | 7.83 | 0.13 |
| Mr. Kanwar Pal Pawar | CFO | 4.24 | 4.22 | 0.47 |

(c) The median remuneration of the employees has decreased by 12.27% in 2020-21 as compared to 2019-20.

(d) The annual average increase in the salaries of employees other than managerial personnel during the last financial year was around 8%. 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 | 221 |
| 2020-21 | 198 |

- (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.

EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2020-21 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.

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

Place: Faridabad
Date: 6th August, 2021

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

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

CONSERVATION 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.
- Monitoring and correction of power factor.
- 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:

- Poka Yoke (Mistake Proofing) system has been

integrated in lines to filter and avoid the rejected material.

- The robotics in IMT has been made operational to reduce manpower and promote efficient and time saving operations.
- 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 | 18.27 |
| 2 | Foreign Travelling | NIL |
| 3 | Repair & Maintenance (Plant & Machinery) | 0.42 |
| 4 | CIF Value of Imports (Machinery) | 43.90 |
| 5 | Dividend paid for the FY 2019-20 | NIL |
| | Total | 62.59 |
| | <i>Earnings</i> | |
| 1 | Value of Exports on FOB Basis | 5,737.00 |
| | Total | 5,737.00 |

Annexure – B
SECRETARIAL AUDIT REPORT
For the Financial Year Ended on 31st March, 2021

[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
Talbros 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 **Talbros 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 31st March, 2021 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 31st March, 2021, 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.

- Mr. Vijay Kumar Sharma (DIN: 06394784) has been re-appointed as Whole time Director of the Company for a tenure of 5 (Five) years commencing from 01st October, 2020 vide Special Resolution passed at an Annual General Meeting held on 28th September, 2020.
- Mr. Kuldeep Singh Bhalla (DIN: 07504884) has been re-appointed as an Independent Non Executive Director of the Company for a tenure of 5 (Five) years commencing from 01st April, 2021 vide Special Resolution passed at an Annual General Meeting held on 28th September, 2020.
- The appointment of Mr. Sarabjeet Singh (DIN: 08601346) has been confirmed as Independent Non Executive Director of the Company vide Ordinary Resolution passed at an Annual General Meeting held on 28th September, 2020.

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: 6th August, 2021

UDIN: A031025C000744837

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: 06th August, 2021

UDIN: A031025C000744837

Annexure - C
FORM NO. MGT-9
EXTRACTS OF ANNUAL RETURN
As on the financial year ended on
31st March, 2021

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN: L74210HR1986PLC033018
- ii) Registration Date: 09/10/1986
- iii) Name of the Company: TALBROS ENGINEERING LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered Office and contact details:
Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006
Ph.: 0129-4284300, Fax: 0129-4061541
- vi) Whether listed Company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent:
Beetal Financial & Computer Services Private Limited
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukh Das Mandir, New Delhi – 110 062,
Ph.: 011-29961281, 29961282

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| SI. No. | Name and Description of main products / services | NIC Code of the Product/ Service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Manufacturing of Axle Shafts | 29301 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. NO. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|--------|---------------------------------|---------|-------------------------------|------------------|--------------------|
| 1 | N.A. | N.A. | N.A. | N.A. | N.A. |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|----------------------------|---|------------|------------------|-------------------|---|------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) INDIAN | | | | | | | | | |
| a) Individual / HUF | 36,94,064 | Nil | 36,94,064 | 72.76 | 36,96,666 | Nil | 36,96,666 | 72.82 | 0.06 |
| b) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt. (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Any Other..... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (1):- | 36,94,064 | Nil | 36,94,064 | 72.76 | 36,96,666 | Nil | 36,96,666 | 72.82 | 0.06 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------|------------------|-------------------|---|------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) FOREIGN | | | | | | | | | |
| a) NRIs – Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Other– Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Any Other..... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Shareholding of Promoter (A)= (A)(1) + (A)(2) | 36,94,064 | Nil | 36,94,064 | 72.76 | 36,96,666 | Nil | 36,96,666 | 72.82 | 0.06 |
| B. PUBLIC | | | | | | | | | |
| SHAREHOLDING | | | | | | | | | |
| (1) INSTITUTIONS | | | | | | | | | |
| a) Mutual Funds | 586 | Nil | 586 | 0.01 | 586 | Nil | 586 | 0.01 | Nil |
| b) Banks / FI | 52 | 720 | 772 | 0.02 | Nil | 720 | 720 | 0.01 | (0.01) |
| c) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) State Govt. (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | 40,686 | Nil | 40,686 | 0.80 | 29,427 | Nil | 29,427 | 0.58 | (0.22) |
| g) FIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Others (Specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1):- | 41,324 | 720 | 42,044 | 0.83 | 30,013 | 720 | 30,733 | 0.60 | (0.23) |
| (2) NON-INSTITUTIONS | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 66,853 | 3,525 | 70,378 | 1.39 | 56,538 | 3,493 | 60,031 | 1.18 | (0.21) |
| ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 5,51,884 | 1,28,229 | 6,80,113 | 13.40 | 5,66,587 | 1,14,582 | 6,81,169 | 13.42 | 0.02 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 63,600 | Nil | 63,600 | 1.25 | 63,600 | Nil | 63,600 | 1.25 | Nil |
| c) Others: | | | | | | | | | |
| i) Trusts | 318 | Nil | 318 | 0.01 | 278 | Nil | 278 | 0.01 | 0.01 |
| ii) NRI | 4,57,784 | 620 | 4,58,404 | 9.03 | 4,58,650 | 620 | 4,59,270 | 9.05 | 0.02 |
| iii) HUF | 17,826 | Nil | 17,826 | 0.35 | 18,686 | Nil | 18,686 | 0.37 | 0.02 |
| iv) Clearing Member | 815 | Nil | 815 | 0.02 | 3,773 | Nil | 3,773 | 0.07 | 0.05 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|-----------------|------------------|-------------------|---|-----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| v) IEPF Authority | 48,942 | Nil | 48,942 | 0.96 | 62,298 | Nil | 62,298 | 1.23 | 0.27 |
| Sub-total (B)(2):- | 12,08,022 | 1,32,374 | 13,40,396 | 26.41 | 12,30,410 | 1,18,695 | 13,49,105 | 26.58 | 0.18 |
| Total Public Shareholding (B)= (B)(1) + (B)(2) | 12,49,346 | 1,33,094 | 13,82,440 | 27.24 | 12,60,423 | 1,19,415 | 13,79,838 | 27.18 | (0.06) |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total(A+B+C) | 49,43,410 | 1,33,094 | 50,76,504 | 100.00 | 49,57,089 | 1,19,415 | 50,76,504 | 100.00 | Nil |

(ii) Shareholding of Promoters and Promoter Group

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|---------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
| | | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | |
| 1 | Mr. Kartik Talwar | 41,234 | 0.81 | Nil | 41,234 | 0.81 | Nil | Nil |
| 2 | Mr. Karan Talwar | 1,05,048 | 2.07 | Nil | 1,05,048 | 2.07 | Nil | Nil |
| 3 | Rakesh Talwar (HUF) | 2,72,414 | 5.37 | Nil | 2,72,414 | 5.37 | Nil | Nil |
| 4 | Mrs. Naini Talwar | 2,94,660 | 5.80 | Nil | 2,94,660 | 5.80 | Nil | Nil |
| 5 | Mr. Rakesh Talwar | 5,92,634 | 11.67 | Nil | 5,92,634 | 11.67 | Nil | Nil |
| 6 | Mrs. Gita Talwar | 10,11,754 | 19.93 | Nil | 10,11,754 | 19.93 | Nil | Nil |
| 7 | Mr. Rajesh Talwar | 10,10,498 | 19.90 | Nil | 10,10,498 | 19.90 | Nil | Nil |
| 8 | Mrs. Shweta Talwar | 3,65,822 | 7.20 | Nil | 3,68,424 | 7.26 | Nil | 0.06 |
| | Total | 36,94,064 | 72.76 | Nil | 36,96,666 | 72.82 | Nil | 0.06 |

(iii) Change in Promoters' Shareholding

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Rakesh Talwar (HUF) | | | | |
| | At the beginning of the year | 2,72,414 | 5.37 | 2,72,414 | 5.37 |
| | - Change during the year | Nil | Nil | 2,72,414 | 5.37 |
| | At the end of the year | 2,72,414 | 5.37 | 2,72,414 | 5.37 |
| 2 | Mr. Rakesh Talwar | | | | |
| | At the beginning of the year | 5,92,634 | 11.67 | 5,92,634 | 11.67 |
| | - Change during the year | Nil | Nil | 5,92,634 | 11.67 |
| | At the end of the year | 5,92,634 | 11.67 | 5,92,634 | 11.67 |
| 3 | Mr. Rajesh Talwar | | | | |
| | At the beginning of the year | 10,10,498 | 19.90 | 10,10,498 | 19.90 |
| | - Change during the year | Nil | Nil | 10,10,498 | 19.90 |
| | At the end of the year | 10,10,498 | 19.90 | 10,10,498 | 19.90 |
| 4 | Mrs. Gita Talwar | | | | |
| | At the beginning of the year | 10,11,754 | 19.93 | 10,11,754 | 19.93 |
| | - Change during the year | Nil | Nil | 10,11,754 | 19.93 |
| | At the end of the year | 10,11,754 | 19.93 | 10,11,754 | 19.93 |
| 5 | Mrs. Shweta Talwar | | | | |
| | At the beginning of the year | 3,65,822 | 7.20 | 3,65,822 | 7.20 |
| | - Acquired from open market during the year | 2,602 | 0.06 | 3,68,424 | 7.26 |
| | At the end of the year | 3,68,424 | 7.26 | 3,68,424 | 7.26 |
| 6 | Mr. Karan Talwar | | | | |
| | At the beginning of the year | 1,05,048 | 2.07 | 1,05,048 | 2.07 |
| | - Change during the year | Nil | Nil | 1,05,048 | 2.07 |
| | At the end of the year | 1,05,048 | 2.07 | 1,05,048 | 2.07 |
| 7 | Mr. Kartik Talwar | | | | |
| | At the beginning of the year | 41,234 | 0.81 | 41,234 | 0.81 |
| | - Change during the year | Nil | Nil | 41,234 | 0.81 |
| | At the end of the year | 41,234 | 0.81 | 41,234 | 0.81 |
| 8 | Mrs. Naini Talwar | | | | |
| | At the beginning of the year | 2,94,660 | 5.80 | 2,94,660 | 5.80 |
| | - Change during the year | Nil | Nil | 2,94,660 | 5.80 |
| | At the end of the year | 2,94,660 | 5.80 | 2,94,660 | 5.80 |

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Mr. Sartaj Kumar Sahni | 4,51,004 | 8.88 | 4,51,004 | 8.88 |
| 2 | Investor Education and Protection Fund | 48,942 | 0.96 | 62,298 | 1.23 |
| 3 | Mahendra Girdharilal | 32,100 | 0.63 | 32,100 | 0.63 |
| 4 | Tushar Kanti Chopra | 31,500 | 0.62 | 31,500 | 0.62 |
| 5 | The Property Company Private Limited | 37,718 | 0.74 | 23,960 | 0.47 |
| 6 | United India Insurance Company Limited | 15,626 | 0.31 | 15,626 | 0.31 |
| 7 | Mr. Arvind Kunverji Thacker | 2,570 | 0.05 | 14,161 | 0.28 |
| 8 | Sushil Soni | 11,782 | 0.23 | 11,782 | 0.23 |
| 9 | Kavita Naredi | 10,932 | 0.22 | 10,932 | 0.22 |
| 10 | National Insurance Company Ltd. | 10,724 | 0.21 | 10,724 | 0.21 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Mr. Vijay Kumar Sharma – Executive Director | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 2 | Mr. Sanjay Sharma – Executive Director | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 3 | Mr. Sunil Kumar – Director | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 4 | Ms. Priyanka Khattar – Director | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 5 | Mr. Kuldeep Singh Bhalla – Director | | | | |
| | At the beginning of the year | 100 | 0.001 | 100 | 0.001 |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | 100 | 0.001 |
| | At the end of the year | 100 | 0.001 | 100 | 0.001 |
| 6 | Mr. Sarabjeet Singh – Director | | | | |
| | At the beginning of the year | 774 | 0.01 | 774 | 0.01 |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | 774 | 0.01 |
| | At the end of the year | 774 | 0.01 | 774 | 0.01 |
| 7 | Mr. Kanwar Pal Pawar – CFO | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 8 | Mr. Ankush Jindal – Company Secretary | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

V. INDEBTEDNESS (Rs. In Lakhs)
Indebtedness of the Company including interest outstanding / accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 5,692 | 1,197 | Nil | 6,889 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 36 | Nil | Nil | 36 |
| Total (i+ii+iii) | 5,728 | 1,197 | Nil | 6,925 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 383 | 266 | Nil | 649 |
| • Reduction | Nil | Nil | Nil | Nil |
| Net Change | 383 | 266 | Nil | 649 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 6,105 | 1,463 | Nil | 7,568 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 6 | Nil | Nil | 6 |
| Total (i+ii+iii) | 6,111 | 1,463 | Nil | 7,574 |

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

(₹ In Lakhs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---------|---|------------------------|-----------------------------|--------------|
| | | Mr. Sanjay Sharma – ED | Mr. Vijay Kumar Sharma - ED | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 12.15 | 11.78 | 23.93 |
| | (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil |
| 4. | Commission | | | |
| | - As % of profit | Nil | Nil | Nil |
| | - Others, specify | Nil | Nil | Nil |
| 5. | Others: | | | |
| | (i) Medical Reimbursement | 0.31 | Nil | 0.31 |
| | (ii) Leave Travel Allowance | 0.31 | 0.17 | 0.48 |
| | Total (A) | 12.77 | 11.95 | 24.72 |
| | Ceiling as per the Act | | | 48.15 |

B. Remuneration to other directors:

(Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|-------------------|----------------------|--------------------------|-------------------|
| | | Mr. Sunil Kumar | Ms. Priyanka Khattar | Mr. Kuldeep Singh Bhalla | |
| 1. | Independent Directors | | | | |
| | • Fees for attending board/ committee meetings | 5,000 | 5,000 | 5,000 | 15,000 |
| | • Commission | Nil | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil | |
| | Total (1) | 5,000 | 5,000 | 5,000 | 15,000 |
| 2. | Other Non-Executive Directors | | | | |
| | • Fees for attending board/ committee meetings | Nil | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil | Nil |
| | Total (B) = (1+2) | 5,000 | 5,000 | 5,000 | 15,000 |
| | Total Managerial Remuneration | | | | 15,000 |
| | Overall Ceiling as per the Act | | | | 4.81 Lakhs |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:
(Amount in ₹ Lakhs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|---------|---|--------------------------|-------------|--------------|
| | | Company Secretary | CFO | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7.84 | 4.24 | 12.08 |
| | (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961 | Nil | Nil | Nil |
| 2. | Stock Option | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil |
| 4. | Commission | | | |
| | - As % of profit | Nil | Nil | Nil |
| | - Others, specify | Nil | Nil | Nil |
| 5. | Others:(i) Leave Travel Allowance | 0.21 | 0.06 | 0.27 |
| | Total | 8.05 | 4.30 | 12.35 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

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 : 6th August, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31st March, 2021

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Talbro Engineering is engaged in manufacturing of Rear Axle Shafts for the leading automobile companies in India and foreign markets. The automobile industry slightly recovered from impact of Covid-19 in FY 2020-21. According to data released by SIAM, the commercial vehicle Industry in India registered a decline of 21.7% in FY 2020-21 as compared to 30% in FY 2019-20. In current fiscal, Commercial Vehicle Industry is likely to rebound and show recovery after witnessing de-growth for two consecutive years. In Financial year 2021-22, the Company expects to continue this growth with continued focus on exports.

(B) OPPORTUNITIES AND THREATS

The Company has a world class manufacturing facility located at Faridabad and Hathin in Haryana and is equipped with latest technology and highly qualified engineering team. The Company is continuously striving on better and automated technology adoption for effective and efficient working. The Company is planning to diversify its product portfolio and entering into new international markets. The Company started expanding its hands in manufacturing of torsion bars, spindles and front axles. In international business, our largest market is North America and we also serve some small customers scattered across various Central and south American countries.

Besides opportunities, the Company is also facing some threats which includes 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 also rising day by day but installation of excess capacity can lead to risk of price war.

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company is operating with mainly one product i.e. Rear Axle Shafts and continues to undertake steps for improvement measures.

(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 is also completed by catering a new area for production. The company

does not foresee any technological obsolescence for its products.

(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 an 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 ₹ 23,886 Lakhs in this financial year ended on 31st March, 2021 as against ₹ 21,623 Lakhs in the previous financial year. Net profit after tax for this year stands at ₹ 1,076 Lakhs as against ₹ 384 Lakhs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31st March, 2021 is ₹ 5,737 Lakhs as compared to ₹ 4,304 Lakhs in the previous financial year.

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

As on March 31, 2021, the Company had 198 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 st March, 2021 | 31 st March, 2020 | Change in % |
|--------|----------------------------|------------------------------|------------------------------|-------------|
| 1 | Debtors Turnover | 6.68 | 5.83 | 0.85 |
| 2 | Inventory Turnover | 6.52 | 5.08 | 1.44 |
| 3 | Interest Coverage Ratio | 4.85 | 2.79 | 2.06 |
| 4 | Current Ratio | 2.22 | 1.95 | 0.27 |
| 5 | Debt Equity Ratio | 0.47 | 0.62 | (0.15) |
| 6 | Operating Profit Margin(%) | 11.87% | 9.29% | 2.58% |
| 7 | Net Profit Margin (%) | 6.06% | 2.33% | 3.73% |

During the year, no change of 25% or more has been observed in any ratio.

(J) RETURN ON NET WORTH

The return on net worth for the current year ended on March 31, 2021 is 16.71% as compared to 6.50% during the fiscal year ended on March 31, 2020.

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 : 06th August, 2021

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.

2. BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their directorship as on March 31, 2021

The Board of Directors of the Company is duly

consisted comprising of Two Executive Directors and Four Non Executive Independent Directors as on 31st March, 2021.

Mr. Vijay Kumar Sharma has been re-appointed as an Executive Director of the Company for a tenure of 5 Years w.e.f. 01st October, 2020.

The Company has approved the re-appointment of Mr. Kuldeep Singh Bhalla as an Independent Non-Executive Director of the Company for a second consecutive term of 5 (Five) years w.e.f. 01st April, 2021

The appointment of Mr. Sarabjeet Singh has been confirmed as an Independent Non Executive Director of the Company for a tenure of 5(Five) years.

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.

| 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) | 1 | Nil | 100 |
| 6 | Mr. Sarabjeet Singh | Director (Non Executive and Independent) | Nil | Nil | 774 |

(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 (28.09.2020) |
|--------|------------------------|---|------------|------------|------------|-------------------------------------|
| | | 23.06.2020 | 06.08.2020 | 06.11.2020 | 01.02.2021 | |
| 1 | Mr. Sanjay Sharma | Yes | Yes | Yes | Yes | Yes |
| 2 | Mr. Vijay Kumar Sharma | Yes | Yes | Yes | Yes | Yes |
| 3 | Mr. Sunil Kumar | 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 (28.09.2020) |
|--------|--------------------------|---|------------|------------|------------|-------------------------------------|
| | | 23.06.2020 | 06.08.2020 | 06.11.2020 | 01.02.2021 | |
| 4 | Ms. Priyanka Khattar | Yes | Yes | Yes | Yes | Yes |
| 5 | Mr. Kuldeep Singh Bhalla | Yes | Yes | Yes | Yes | Yes |
| 6 | Mr. Sarabjeet Singh | Yes | Yes | Yes | Yes | Yes |

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.

The Company has re-appointed Mr. Kuldeep Singh Bhalla as an Independent Non-Executive Director of the Company for a second consecutive term of 5(Five) years w.e.f. 01st April, 2021.

The appointment of Mr. Sarabjeet Singh as an Independent Non-Executive Director of the Company for a tenure of 5 (Five) years has been approved by the shareholders of the Company in Annual General Meeting.

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 2018-19 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 01st 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 Ms. Priyanka Khattar as on 31st March, 2021. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 4 (Four) times during the year ended 31st March, 2021. 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 | | | |
|--------|--------------------------|--------------------------|---|------------|------------|------------|
| | | | 23.06.2020 | 06.08.2020 | 06.11.2020 | 01.02.2021 |
| 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 |

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, Vice Chairman, 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 28th September, 2020.

(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 06th

August, 2020 and 06th November, 2020 and 01st February, 2021 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 |

(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 31st March, 2021:

| S. No. | Name of the Director | Designation | Remuneration Paid (Amount in ₹ Lakhs) |
|--------|------------------------|--------------------|---------------------------------------|
| 1 | Mr. Sanjay Sharma | Executive Director | 12.15 |
| 2 | Mr. Vijay Kumar Sharma | Executive Director | 11.78 |

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 31st March, 2021, 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 |
| 4 | Mr. Vijay Kumar Sharma | Member | 4 |

The details of Shareholders complaints received so far, resolved and pending during the Financial Year 2020-21 are as follows:

| Received | Resolved | Pending |
|----------|----------|---------|
| 5 | 5 | 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 31st March, 2021

| S. No. | Name of Member | Designation in Committee | Attendance of Members in Meetings held during the year | |
|--------|--------------------------|--------------------------|--|------------|
| | | | 23.06.2020 | 01.02.2021 |
| 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 31st March, 2021, the Independent Directors met on 01st February, 2021, 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

(7) GENERAL BODY MEETINGS:
(a) Details of last 3 (Three) Annual General Meetings are as under:

| S. No. | Financial Year | Date | Time | Venue |
|--------|----------------|------------|------------|---|
| 1 | 2019-20 | 28.09.2020 | 10:30 a.m. | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |
| 2 | 2018-19 | 30.09.2019 | 10:30 a.m. | Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002 |
| 3 | 2017-18 | 28.09.2018 | 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 28th September, 2018

- a) Re-appointment of Mr. Sunil Kumar (holding DIN: 03619831) as an Independent Director of the Company.
- b) Re-appointment of Ms. Priyanka Khattar (holding DIN: 02991593) as an Independent Director of the Company.
- c) To adopt new table F in the Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
- d) To increase the borrowing limits under section 180(1)(c) of the Companies Act, 2013
- e) To increase the limits of providing security in connection with the borrowings of the Company under section 180(1)(a) of the Companies Act, 2013

(2) At Annual General Meeting held on 30th September, 2019

- a) Appointment of Mr. Sanjay Sharma as an Executive Director of the Company for a tenure of Five (5) years.

(3) At Annual General Meeting held on 28th 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. 01st 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. 01st April, 2021

(c) Postal Ballot:

During the year ended March 31, 2021, 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. The quarterly and half-yearly Financial Results of the Company during the year 2020-21 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, 2020, September 30, 2020 and December 31, 2020 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.

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 35th Annual General Meeting of the Company will be held on Tuesday, 28th September, 2021 at

11:00 a.m. at the Registered Office of the Company situated at Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006 through VC/OAVM.

(b) Financial Year

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

Financial Calendar (Tentative)

| | |
|--|------------------------------|
| For 1 st quarter ending 30 th June, 2021 | First week of August, 2021 |
| For 2 nd Quarter / half year ending 30 th September, 2021 | First week of November, 2021 |
| For 3 rd Quarter / nine months ending 31 st December, 2021 | First week of February, 2022 |
| For 4 th Quarter / Year ending 31 st March, 2022 | Last week of May, 2022 |
| Annual General Meeting for the year ending 31 st March, 2021 | Last week of September, 2021 |

(c) Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (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 2021-22 has been paid to the above stock exchange.

(f) Stock Code

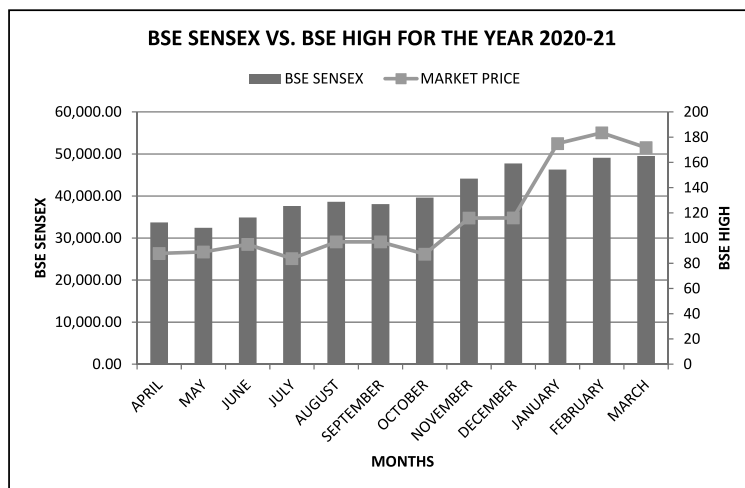
The Stock codes allotted to the Company are as follows:

| 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 31st March, 2021 were as follows:

| Month(s) 2020-21 | Market Price (₹) | | BSE Sensex |
|------------------|------------------|--------|------------|
| | High | Low | |
| April | 87.80 | 61.00 | 33,717.62 |
| May | 89.00 | 64.35 | 32,424.10 |
| June | 95.00 | 73.00 | 34,915.80 |
| July | 83.75 | 68.00 | 37,606.89 |
| August | 96.95 | 65.05 | 38,628.29 |
| September | 96.95 | 74.05 | 38,067.93 |
| October | 87.25 | 70.30 | 39,614.07 |
| November | 115.90 | 72.65 | 44,149.72 |
| December | 116.00 | 101.05 | 47,751.33 |
| January | 174.95 | 105.70 | 46,285.77 |
| February | 183.45 | 154.55 | 49,099.99 |
| March | 171.75 | 142.60 | 49,509.15 |



(h) Registrar and Transfer Agents

M/s Beetal Financial & Computer Services Private Limited, Beetal House, 3rd 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

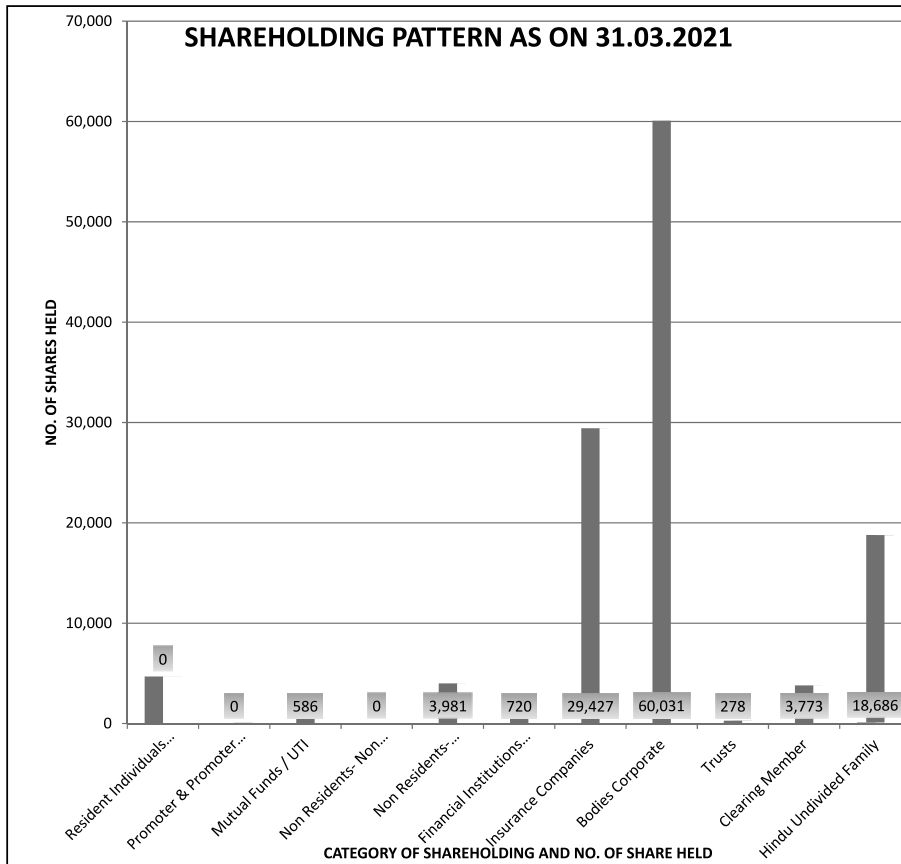
for approval of transfer, transmission etc to Stakeholders Relationship Committee comprising of One Executive Director and Two Non Executive Directors. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

SEBI, effective from 01st 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 | 4,689 | 7,44,769 | 14.67 |
| 2 | Promoters | 8 | 36,96,666 | 72.82 |
| 3 | Mutual Funds / UTI | 1 | 586 | 0.01 |
| 4 | Non Residents – Non Repatriable | 24 | 4,55,289 | 8.97 |
| 5 | Non Residents - Repatriable | 23 | 3,981 | 0.08 |
| 6 | Financial Institutions / Banks | 3 | 720 | 0.01 |
| 7 | Insurance Companies | 3 | 29,427 | 0.58 |
| 8 | Bodies Corporate | 47 | 60,031 | 1.18 |
| 9 | Trusts | 1 | 278 | 0.01 |
| 10 | Clearing Member | 15 | 3,773 | 0.07 |
| 11 | Hindu Undivided Family | 99 | 18,686 | 0.37 |
| 12 | IEPF Authority | 1 | 62,298 | 1.23 |
| | TOTAL | 4,914 | 50,76,504 | 100.00 |



(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 | 4,690 | 95.44 | 3,96,799 | 7.82 |
| 5001 to 10000 | 110 | 2.24 | 81,481 | 1.60 |
| 10001 to 20000 | 63 | 1.28 | 89,250 | 1.76 |
| 20001 to 30000 | 12 | 0.24 | 29,900 | 0.59 |
| 30001 to 40000 | 8 | 0.16 | 28,130 | 0.55 |
| 40001 to 50000 | 3 | 0.06 | 12,554 | 0.25 |
| 50001 to 100000 | 9 | 0.19 | 66,940 | 1.32 |
| 100001 and Above | 19 | 0.39 | 43,71,450 | 86.11 |
| TOTAL | 4,914 | 100.00 | 50,76,504 | 100.00 |

(c) On the basis of ownership

| S. No. | Category of Shareholder | Number of Shareholders | Total number of shares | % of holding |
|------------|--|------------------------|------------------------|---------------|
| (A) | Promoters | | | |
| 1. | <i>Indian Individuals</i> | | | |
| (a) | Promoters | 8 | 36,96,666 | 72.82 |
| (B) | Public Shareholding | | | |
| 1. | <i>Institutions</i> | | | |
| (a) | Mutual Funds / UTI | 1 | 586 | 0.01 |
| (b) | Financial Institutions / Banks | 3 | 720 | 0.01 |
| (c) | Insurance Companies | 3 | 29,427 | 0.58 |
| 2. | <i>Non-institutions</i> | | | |
| (a) | Bodies Corporate | 47 | 60,031 | 1.18 |
| (b) | Individuals | 4,689 | 7,44,769 | 14.67 |
| (c) | Trusts | 1 | 278 | 0.01 |
| (d) | Clearing Member | 15 | 3,773 | 0.07 |
| (e) | Non Resident Indians – Non Repatriable | 24 | 4,55,289 | 8.97 |
| (f) | Non Resident Indians – Repatriable | 23 | 3,981 | 0.08 |
| (g) | Hindu Undivided Family | 99 | 18,686 | 0.37 |
| (h) | IEPF Authority | 1 | 62,298 | 1.23 |
| | TOTAL | 4,914 | 50,76,504 | 100.00 |

(k) Dematerialization of shares and liquidity

As on 31st March, 2021, 97.65% 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 | 1,530 | 1,19,415 | 2.35 |
| NSDL | 2,319 | 36,76,651 | 72.43 |
| CDSL | 1,217 | 12,80,438 | 25.22 |
| Total | 5,066 | 50,76,504 | 100.00 |

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

(l) Credit Rating

Your Company has been assigned a rating of BBB+ (Negative outlook) for Long Term Bank Facilities (Term Loans) of ₹ 5.59 Crores and rating of BBB+/A2 (Negative 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

(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. 3, Sector 5, Faridabad, Haryana

(v) Plot No. 2 & 3, 20/4, Mathura Road, Nepco Compound, 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

(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.
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 31st March, 2021. 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. **Confirmation regarding Independent Directors:** Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla, Mr. Sarabjeet Singh and Ms. Priyanka Khattar 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 31st March, 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: 6th August, 2021

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 31st March, 2021 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 : 6th August, 2021

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, 2021 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: 6th August, 2021
UDIN: 21085714AAAADC2582

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) 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 31st March, 2021 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: 6th August, 2021
UDIN: A031025C000744914

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: 6th August, 2021

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 Financial Statements**Opinion:**

We have audited the accompanying Financial Statements of **TALBROS ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at **March 31, 2021**, 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 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, 2021, 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 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 the 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 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 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 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 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 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, management 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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: 21.06.2021

UDIN No.: 21085714AAAAACM7774

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

(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)

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")

We have audited the internal financial controls over financial reporting of **TALBROS ENGINEERING LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting 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 financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2021 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: 21.06.2021
UDIN No.: 21085714AAAACM7774

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

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT:

The Annexure referred to in Independent Auditor’s Report to the members of the Company on the financial statements of the Company for the year ended March 31, 2021, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been regularly verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification during the year.
- c) Based on the audit procedures performed and according to the records of the company, title

- deeds of the immovable properties are held with the company.
- ii) 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.
- iii) As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly sub-clauses (a), (b) and (c) of para (iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of act, in respect of loans, investments, guarantees, and security to the extent applicable to it.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi) To the best of our knowledge and as explained, the company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act 2013. Accordingly, Para (vi) of the order is not applicable to the Company.
- 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 2021 for a period of more than six months from the date they become payable other than ESI payable on Contractor ₹ 21.07 Lakhs.
- b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans to the bank. The company did not have any outstanding dues / loans in respect of financial institution, government or debentures during the year.
- ix) We have verified that the end use of money raised by the public issue is as disclosed in the notes to the Ind AS financial statements. The company did not have any terms loans outstanding during the year.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- xi) In our opinion, the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the act.
- xii) In our opinion the company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provision of clause 3(xii) of the order are not applicable to the company.
- xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of act, where applicable, and the details have been disclosed in the financial statement as required by applicable accounting standard.
- xiv) The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- xv) According to the information and explanation given to us and on an overall examination of the Ind AS financial statements of the company, we report that the company has not entered into any cash transactions with directors or persons connected with him.
- xvi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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: 21.06.2021
UDIN No.: 21085714AAAACM7774

BALANCE SHEET AS AT 31st March 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | Notes | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-------|---------------------------|---------------------------|
| ASSETS: | | | |
| Non-Current Assets | | | |
| Property plant and equipments | 4.1 | 7,478.72 | 7,861.55 |
| Intangible Assets | 4.2 | 24.00 | 25.78 |
| Capital Work in Progress | 4.3 | 1,037.79 | 846.14 |
| Financial Assets | | | |
| Non Current Investments | 5 | 8.60 | 8.60 |
| Trade receivables | 6 | 1.44 | 2.23 |
| Loans | 7 | 325.58 | 307.56 |
| Other non-current assets | 8 | 304.49 | 55.86 |
| Current Assets | | | |
| Inventories | 9 | 3,996.60 | 3,327.74 |
| Financial Assets | | | |
| Trade Receivables | 10 | 4,048.34 | 3,104.22 |
| Cash and Cash Equivalents | 11 | 373.90 | 6.43 |
| Other Bank Balances | 12 | 10.69 | 12.32 |
| Loans | 13 | 6.26 | 2.44 |
| Assets for Current Tax (net) | 14 | 32.88 | 4.85 |
| Other Current Assets | 15 | 1,130.76 | 474.66 |
| TOTAL | | 18,780.04 | 16,040.40 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 16 | 507.65 | 507.65 |
| Other Equity | 17 | 6,618.82 | 5,553.78 |
| Non-Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18 | 2,726.17 | 2,874.60 |
| Provisions | 19 | 35.32 | 39.00 |
| Deferred Tax Liabilities (Net) | 20 | 340.40 | 356.40 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 4,218.08 | 3,156.50 |
| Trade Payables | 22 | 2,695.97 | 1,862.11 |
| Other financial liabilities | 23 | 1,433.60 | 1,504.91 |
| Other Current Liabilities | 24 | 173.61 | 149.08 |
| Provisions | 25 | 30.41 | 36.37 |
| Liabilities for current tax(net) | 14 | - | - |
| TOTAL | | 18,780.04 | 16,040.40 |
| 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 & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place : Faridabad

Date : 21.06.2021

UDIN No.: 21085714AAAACM7774

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, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | Notes | Year Ended 31st March, 2021 | Year Ended 31st March, 2020 |
|--|-------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue From Operations (Gross) | 26 | 23,886.39 | 21,622.64 |
| Other Income | 27 | 50.54 | 112.37 |
| Total Income | | <u>23,936.93</u> | <u>21,735.01</u> |
| EXPENSES | | | |
| Cost of Raw Material Consumed | 28 | 10,916.12 | 9,982.39 |
| Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade | 29 | 304.25 | 837.17 |
| Employee Benefits Expenses | 30 | 1,823.41 | 1,986.53 |
| Finance Costs | 31 | 584.73 | 719.72 |
| Depreciation and Amortization Expense | 32 | 803.01 | 783.40 |
| Other Expenses | 33 | 8,057.13 | 6,921.02 |
| Total Expenses | | <u>22,488.65</u> | <u>21,230.24</u> |
| Profit before Exceptional Items and Tax | | 1,448.27 | 504.77 |
| Exceptional Items | | - | - |
| Profit before Tax | | 1,448.27 | 504.77 |
| Current Tax | | 391.00 | 77.00 |
| Deferred Tax | | (16.00) | 51.72 |
| Taxes For Earlier Years | | 7.93 | (25.77) |
| Profit after Exceptional Items and Tax | | <u>1,065.34</u> | <u>401.82</u> |
| Other Comprehensive Income | | | |
| i) Items that will not be classified to profit or loss | | 8.01 | (14.80) |
| Remeasurement of Defined Benefit Plans | | | |
| ii) Items that will be classified to profit or loss | | 2.94 | (2.94) |
| Eective portion of gains/(losses) on hedging instrument in cash flow hedges | | | |
| Other Comprehensive Income for the year, net of Taxes | | 10.95 | (17.74) |
| Total Other comprehensive income | | <u>1,076.29</u> | <u>384.08</u> |
| Earnings per Equity Share (Face Value of ₹ 10/-) | | | |
| Basic and Diluted Restated Earnings Per Share | | 21.20 | 7.57 |
| Summary of significant accounting policies | 2 | | |

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 : 21.06.2021

UDIN No. : 21085714AAAACM7774

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, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| PARTICULARS | 31st March, 2021 | 31st March, 2020 |
|--|------------------|------------------|
| Net Profit before taxation, and exceptional item | 1,448.27 | 504.77 |
| Adjustment for: | | |
| Depreciation | 803.01 | 783.40 |
| Preliminary Expenses W/off | - | - |
| Interest Paid | 584.73 | 719.72 |
| Loss/(Profit) on Sale of Fixed Assets | (0.06) | 1.34 |
| Interest Received | (6.30) | (4.19) |
| Exceptional Items | - | - |
| Operating Profit before Working Capital Changes | 2,829.65 | 2,005.05 |
| Adjustments for:- | | |
| Trade and Other Receivables | (943.32) | 1,204.36 |
| Inventories | (668.86) | 1,857.70 |
| Other Current Assets | (1,001.94) | 71.95 |
| Trade Payables | 833.86 | (1,302.97) |
| Other Current Liabilities | 923.92 | (1,549.36) |
| CASH GENERATED FROM OPERATIONS: | 1,973.31 | 2,286.74 |
| Interest paid | (584.73) | (719.72) |
| NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A) | 1,388.58 | 1,567.01 |
| Interest Received | 6.30 | 4.19 |
| Purchase of Fixed Assets | (622.98) | (1,437.50) |
| Sale of Fixed Assets | 12.70 | 12.25 |
| Dividend Received | - | - |
| NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B) | (603.98) | (1,421.06) |
| Proceeds from /(Repayment) of long Term Borrowings | (152.12) | (374.98) |
| Proceeds from Share Capital | - | - |
| Proceeds from Security Premium | - | - |
| Dividend paid | - | (76.15) |
| Dividend Distribution Tax Paid | - | (16.12) |
| Proceeds from /(Repayment) of long Term Loans & Advances | (266.65) | 193.08 |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | (418.77) | (274.16) |
| INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C) | 365.83 | (128.21) |
| Cash/Cash Equivalents as at 1st April (Opening Balance) | 18.75 | 146.96 |
| Cash/Cash Equivalents as at 31st March (Closing Balance) | 384.58 | 18.75 |

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 : 21.06.2021
 UDIN No.: 21085714AAAACM7774

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**1 COMPANY OVERVIEW**

Talbro 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 **21.06.2021**

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 with an 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 short-term deposits, as defined above.

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 costs including 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 enacted or substantively enacted, 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
- 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, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| 4 PROPERTY PLANT AND EQUIPMENTS | | |
| 4.1 Tangible assets | 7,478.72 | 7,861.55 |
| | <u>7,478.72</u> | <u>7,861.55</u> |
| 4.2 Intangible assets | 24.00 | 25.78 |
| | <u>24.00</u> | <u>25.78</u> |
| 4.3 Capital work in progress | 1,037.79 | 846.14 |
| | <u>1,037.79</u> | <u>846.14</u> |

4.1 : PROPERTY PLANT AND EQUIPMENT

| NAME OF ASSETS | GROSS BLOCK | | DEPRECIATION | | NET BLOCK | | |
|---------------------------------|---------------------|---------------------|--------------------|---|--------------------------|---------------------|---------------------|
| | As At 01-04-2020 | As At 31.03.2021 | Upto 31.03.2020 | For the period ended as on 31.03.2021 | Total upto 31.03.2021 | As At 31.03.2021 | As At 31.03.2020 |
| LAND | 1,741.88 | 1,741.88 | - | - | - | 1,741.88 | 1,741.88 |
| BUILDING | 1,875.10 | 1,877.34 | 188.02 | 59.01 | 247.03 | 1,630.31 | 1,687.08 |
| PLANT & MACHINERY | 8,424.95 | 8,808.74 | 4,384.28 | 675.01 | 5,057.24 | 3,751.50 | 4,040.67 |
| VEHICLES | 331.29 | 331.29 | 99.94 | 37.09 | 137.03 | 194.27 | 231.35 |
| FURNITURE & FIXTURES | 53.03 | 55.42 | 41.48 | 3.11 | 44.59 | 10.84 | 11.55 |
| OFFICE EQUIPMENT | 107.17 | 115.67 | 85.84 | 5.57 | 91.41 | 24.26 | 21.33 |
| ELECTRIC INSTALLATION | 211.18 | 224.21 | 90.59 | 15.62 | 106.20 | 118.01 | 120.59 |
| COMPUTER | 61.28 | 66.33 | 54.17 | 4.49 | 58.66 | 7.66 | 7.11 |
| CURRENT YEAR | 12,805.87 | 14,69 | 4,944.32 | 799.89 | 2.05 | 5,742.16 | 7,478.72 |
| PREVIOUS YEAR | 10,816.95 | 12,805.87 | 4,238.29 | 780.31 | 74.28 | 4,944.32 | 7,861.55 |

4.2 : INTANGIBLE ASSETS

| | | | | | | | | |
|--------------------------|--------------|-------------|-------------|-------------|----------|--------------|--------------|--------------|
| INTANGIBLE ASSETS | 35.52 | 1.64 | 9.75 | 3.42 | - | 13.17 | 24.00 | 25.78 |
| CURRENT YEAR | 35.52 | 1.64 | 9.75 | 3.42 | - | 13.17 | 24.00 | 25.78 |
| PREVIOUS YEAR | 35.52 | - | 6.36 | 3.39 | - | 9.75 | 25.78 | 29.17 |

4.3 : CAPITAL WORK IN PROGRESS

| | | | | | | | | |
|------------------------------------|------------------|-----------------|-----------------|------------------|--------------|-----------------|-----------------|-----------------|
| CWP - BUILDING | 603.80 | 179.28 | - | - | - | - | 783.08 | 603.80 |
| CWP - PLANT & MACHINERY | 242.35 | 398.77 | 386.41 | 386.41 | - | - | 254.71 | 242.35 |
| CURRENT YEAR | 846.14 | 578.05 | 386.41 | 386.41 | - | - | 1,037.79 | 846.14 |
| PREVIOUS YEAR | 1,485.44 | 442.53 | 1,081.83 | 846.14 | - | - | 846.14 | 1,485.44 |
| TOTAL CURRENT YR | 13,687.54 | 1,009.39 | 401.09 | 14,295.84 | 2.05 | 5,755.33 | 8,540.51 | 8,733.47 |
| PREVIOUS YEAR | 12,337.91 | 2,519.33 | 1,169.70 | 13,667.54 | 74.28 | 4,954.07 | 8,733.47 | 8,093.26 |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| 5 NON -CURRENT INVESTMENTS | | |
| UNQUOTED NON TRADE EQUITY INSTRUMENTS(AT COST) | | |
| Investments in equity instruments | 8.60 | 8.60 |
| Talbro's Sealing Materials Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each)(PY. 33000) | | |
| Total Non-Current Investments | <u>8.60</u> | <u>8.60</u> |
| 6 TRADE RECEIVABLES | | |
| Unsecured, Considered Good | 1.44 | 2.23 |
| Total trade receivables | <u>1.44</u> | <u>2.23</u> |
| 7 LOANS, UNSECURED, CONSIDERED GOOD | | |
| Security Deposits | 325.58 | 307.56 |
| Total Long Term Loans and Advances | <u>325.58</u> | <u>307.56</u> |
| 8 OTHER NON CURRENT ASSETS | | |
| Capital Advances | 304.49 | 55.86 |
| | <u>304.49</u> | <u>55.86</u> |
| 9 INVENTORIES | | |
| (Taken, Valued and Certified by the Management) | | |
| Raw Materials | 1,983.14 | 580.11 |
| Work-in-Progress | 1,758.57 | 2,092.19 |
| Finished Goods | | |
| Stores, Spares and Loose Tools | 153.41 | 586.86 |
| Scrap | 53.77 | 24.40 |
| Others(Packing Materials) | 47.72 | 44.18 |
| Total Inventories | <u>3,996.60</u> | <u>3,327.74</u> |
| 10 TRADE RECEIVABLES | | |
| Unsecured, Considered Good | 4,048.34 | 3,104.22 |
| Total Trade Receivables | <u>4,048.34</u> | <u>3,104.22</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| 11 CASH AND CASH EQUIVALENTS | | |
| Cash in hand | 0.87 | 2.37 |
| Balances with banks in current Accounts | 372.54 | 3.63 |
| Fixed Deposit with Bank (Current Maturity) | 0.49 | 0.43 |
| | <u>373.90</u> | <u>6.43</u> |
| 12 OTHER BANK BALANCES | | |
| In dividend accounts | 10.69 | 12.32 |
| Margin Money | - | - |
| | <u>10.69</u> | <u>12.32</u> |
| 13 LOANS | | |
| Loans to Employees | 6.26 | 2.44 |
| | <u>6.26</u> | <u>2.44</u> |
| 14 ASSETS FOR CURRENT TAX (Net) | | |
| Advance Income Tax | 423.88 | 81.85 |
| Provision for Income Tax | 391.00 | 77.00 |
| | <u>32.88</u> | <u>4.85</u> |
| 15 OTHER CURRENT ASSETS | | |
| Unsecured, Considered Good | | |
| Prepaid Expenses | 15.07 | 15.01 |
| Advance to Suppliers | 943.51 | 228.33 |
| Other Advances | 18.19 | 31.78 |
| Balances with Statutory/Govt. Authorities:- | | |
| Excise Duty Balance | 50.43 | 50.43 |
| Income Tax Advance | 13.75 | 70.48 |
| Sales Tax Advance | 39.18 | 59.88 |
| Duty Drawback Receivable | 50.63 | 18.75 |
| Total Other Current Assets | <u>1,130.76</u> | <u>474.66</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| 16 EQUITY SHARE CAPITAL | | |
| 16.1 AUTHORISED SHARE CAPITAL | | |
| 51,00,000 (P.Y. 51,00,000) Equity Shares of ₹ 10/- each | 510.00 | 510.00 |
| 16.2 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL | | |
| 50,76,504 (P.Y. 50,76,504) Equity Shares of ₹ 10/- each fully paid up | 507.65 | 507.65 |
| Total Issued, Subscribed and fully paid up capital | <u>507.65</u> | <u>507.65</u> |
| 16.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD | | |
| Equity shares | | |
| At the beginning of the year | 5,076,504 | 5,076,504 |
| Add: Right Shares issued during the year | - | - |
| Add: Bonus shares issued during the year | - | - |
| Less: Shares forfeited, etc | - | - |
| Outstanding at the end of the year | <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 NIL per share. For the Financial year ended on 31st March 2021, the directors have proposed a dividend to Equity Shareholders at 15%, being ₹ 1.50/- per share.

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

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|----------------------|------------------------|--------|------------------------|--------|
| | 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% | 358873 | 7.07% |

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, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| 17 OTHER EQUITY | | |
| 17.1 CAPITAL RESERVE | 174.87 | 174.87 |
| 17.2 SECURITIES PREMIUM ACCOUNT | 179.37 | 179.37 |
| 17.3 REVALUATION RESERVE | 8.21 | 8.51 |
| 17.4 GENERAL RESERVE | 307.25 | 307.25 |
| 17.5 OTHER RESERVES | 76.30 | 79.24 |
| 17.6 RETAINED EARNINGS | 5,872.82 | 4,804.54 |
| | <u>6,618.82</u> | <u>5,553.78</u> |
| 17.1 CAPITAL RESERVE | | |
| As per last balance sheet | 174.87 | 174.87 |
| Add/less: adjustment during the year | - | - |
| Closing balance | <u>174.87</u> | <u>174.87</u> |
| 17.2 SECURITIES PREMIUM ACCOUNT | | |
| As per last balance sheet | 179.37 | 179.37 |
| Add: Security premium raised during the year | - | - |
| Less: Bonus Shares Issued | - | - |
| | <u>179.37</u> | <u>179.37</u> |
| 17.3 REVALUATION RESERVE | | |
| Revaluation Reserve | 8.51 | 8.80 |
| Less: Transferred to Profit & Loss A/c | (0.30) | (0.30) |
| Closing balance | <u>8.21</u> | <u>8.51</u> |
| 17.4 GENERAL RESERVE | | |
| As per last balance sheet | 307.25 | 307.25 |
| Add/less: adjustment during the year | - | - |
| Closing balance | <u>307.25</u> | <u>307.25</u> |
| 17.5 OTHER RESERVES | | |
| Capital Subsidy | | |
| As per last balance sheet | 76.30 | 76.30 |
| Add/less: adjustment during the year | - | - |
| Closing balance | <u>76.30</u> | <u>76.30</u> |
| Cash Flow Hedge Reserve | | |
| As per last balance sheet | 2.94 | - |
| Other Comprehensive Income (Net of Taxes) | (2.94) | 2.94 |
| Closing balance | <u>-</u> | <u>2.94</u> |
| Total Other Reserves | <u>76.30</u> | <u>79.24</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| 17.6 RETAINED EARNINGS | | |
| As per last balance sheet | 4,804.54 | 4,497.93 |
| Profit for the year | 1,065.34 | 401.82 |
| Add: Transfer from Other Comprehensive Income | (8.01) | 14.80 |
| Less : Transfer to General reserve | | |
| Dividend on equity shares | - | 76.15 |
| Dividend distribution tax on dividend | - | 16.12 |
| Closing balance | 5,861.87 | 4,822.28 |
| OTHER COMPREHENSIVE INCOME | | |
| Remeasurement of Defined Benefit Obligation(net) | 8.01 | (14.80) |
| Cash Flow Hedge reserves | 2.94 | (2.94) |
| Transfer to retained earnings | 10.95 | (17.74) |
| TOTAL | 5,872.82 | 4,804.54 |
| 18 LONG TERM BORROWINGS | | |
| SECURED BORROWINGS | | |
| Term loans | | |
| From banks | 722.55 | 464.81 |
| From others | 540.20 | 1,213.13 |
| Total secured long term borrowings (I) | 1,262.75 | 1,677.94 |
| UNSECURED BORROWINGS | | |
| Loans and advances from related parties | 1,463.42 | 1,196.66 |
| From others | - | - |
| Total unsecured long term borrowings (II) | 1,463.42 | 1,196.66 |
| Total Long Term Borrowings (I+II) | 2,726.17 | 2,874.60 |

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 st | |
|--|---|-----------------------------|-------------|
| | | March, 2021 | March, 2020 |
| TERM LOANS FROM BANKS | | | |
| TERM LOANS FROM HDFC BANK | | | |
| | | Closing Balance | |
| 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. | 111.15 | 298.21 |
| | | Current Maturity | |
| | | 111.15 | 187.06 |
| | | Non-Current Maturity | |
| | | 0.00 | 111.15 |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| Particulars of loan/security/ guarantee | Terms of Repayment | As at 31 st March, 2021 | As at 31 st March, 2020 |
|---|---|---------------------------------------|---------------------------------------|
| TERM LOANS FROM YES BANK | | Closing Balance | |
| 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. | 638.00 | 510.00 |
| | | Current Maturity | |
| | | 180.46 | 260.00 |
| | | Non-Current Maturity | |
| | | 457.54 | 250.00 |
| TERM LOANS FROM NBFCs | | Closing Balance | |
| 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 | 1,589.83 |
| | | Current Maturity | |
| | | 294.19 | 376.69 |
| | | Non-Current Maturity | |
| | | 540.20 | 1,213.13 |
| WORKING CAPITAL TERM LOAN FROM HSBC BANK | | Closing Balance | |
| 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 | 200.00 | - |
| | | Current Maturity | |
| | | 3.52 | - |
| | | Non-Current Maturity | |
| | | 196.48 | - |
| VEHICLE LOANS FROM BANKS | | Closing Balance | |
| 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 | 103.66 | 137.91 |
| | | Current Maturity | |
| | | 35.13 | 34.25 |
| | | Non-Current Maturity | |
| | | 68.54 | 103.66 |

(All Amount in ₹ Lakhs unless otherwise stated)

19 LONG TERM PROVISION

| | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------------|---------------------------|---------------------------|
| Annual Leave Payable | 35.32 | 39.00 |
| Total Long Term Provision | 35.32 | 39.00 |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| 19 DEFERRED TAX LIABILITIES | | |
| Fixed Assets | 340.40 | 356.40 |
| Deferred Tax Liability (Net) | <u>340.40</u> | <u>356.40</u> |
| 21 SHORT TERM BORROWINGS | | |
| SECURED | | |
| Working Capital Loans From Banks * | | |
| HDFC Bank Ltd | 587.86 | (225.36) |
| Yes Bank Ltd | 331.61 | 186.39 |
| DBS Bank Ltd | 1,712.08 | 1,246.55 |
| HSBC Bank Ltd | 922.33 | 949.26 |
| Short Term Borrowings from Others | 664.21 | 999.65 |
| Total Short Term Borrowings | <u>4,218.08</u> | <u>2,156.85</u> |
| * The facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the company. The facilities of working capital from banks are further secured by personal guarantees of President and COO of the company. | | |
| 22 TRADE PAYABLES | | |
| Dues to MSME * | 58.51 | 19.28 |
| Dues of other than MSME | 2,637.46 | 1,842.84 |
| Total Trade Payables | <u>2,695.97</u> | <u>1,862.11</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. | | |
| 23 OTHER FINANCIAL LIABILITIES | | |
| Current Maturities of Long Term Debt | 624.45 | 858.01 |
| Interest accrued and due on Borrowings | | - |
| Interest accrued but not due on borrowings | 6.24 | 36.20 |
| Creditors for Expenses | 496.01 | 352.27 |
| Creditors for Capital Expenditure | 34.77 | 40.76 |
| Unpaid Dividends | 10.69 | 12.32 |
| Other Liabilities:- | | |
| Accrued Salary & Benefits | 65.59 | 63.33 |
| Security Job Contractors | 30.21 | 30.86 |
| Other payables | 165.64 | 111.16 |
| Total | <u>1,433.60</u> | <u>1,504.91</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | As at 31st March, 2021 | As at 31st March, 2020 |
|-------------------------------------|---------------------------|---------------------------|
| 24 OTHER CURRENT LIABILITIES | | |
| Advance from Customers | 11.24 | 8.24 |
| Statutory Dues payable | 31.49 | 26.77 |
| GST payable | 113.08 | 97.68 |
| TDS payable | 17.80 | 16.38 |
| | <u>173.61</u> | <u>149.08</u> |
| 25 PROVISIONS | | |
| Provision for Employee Benefits | 30.41 | 36.37 |
| Total Short Term Provisions | <u>30.41</u> | <u>36.37</u> |

(All Amount in ₹ Lakhs unless otherwise stated)

| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| 26 REVENUE FROM OPERATIONS | | |
| SALE OF PRODUCTS | | |
| Domestic Sales | 17,217.83 | 16,367.52 |
| Export Sales | 5,869.61 | 4,364.37 |
| | <u>23,087.44</u> | <u>20,731.89</u> |
| OTHER OPERATING REVENUES | | |
| Other operating revenues | 798.95 | 890.75 |
| Total Revenue From Operations | <u>23,886.39</u> | <u>21,622.64</u> |
| 27 OTHER INCOME | | |
| Interest Income | 6.30 | 4.19 |
| Foreign Exchange Fluctuation | 27.87 | 108.19 |
| Other non-operating income (Misc.Income) | 16.37 | - |
| Total Other Income | <u>50.54</u> | <u>112.37</u> |
| 28 COST OF RAW MATERIAL CONSUMED | | |
| Opening Stock | 580.11 | 1,677.16 |
| Purchases | 12,314.56 | 8,878.92 |
| Cartage Inward | 4.59 | 6.42 |
| | <u>12,899.26</u> | <u>10,562.50</u> |
| Closing Stock | (1,983.14) | (580.11) |
| Total Cost of Raw Material Consumed | <u>10,916.12</u> | <u>9,982.39</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | <u>For the year ended 31st March, 2021</u> | <u>For the year ended 31st March, 2020</u> |
|--|--|--|
| 29 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE | | |
| CLOSING STOCK | | |
| Finished Goods | - | - |
| Work-in-progress | 1,758.57 | 2,092.19 |
| Scrap | 53.77 | 24.40 |
| | <u>1,812.34</u> | <u>2,116.59</u> |
| OPENING STOCK | | |
| Finished Goods | - | 35.31 |
| Work-in-progress | 2,092.19 | 2,848.22 |
| Scrap | 24.40 | 70.23 |
| | <u>2,116.59</u> | <u>2,953.76</u> |
| (Increase) / Decrease In Stock | <u>304.25</u> | <u>837.17</u> |
| 30 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 1,567.53 | 1,655.25 |
| Contribution to Provident and other Funds | 51.11 | 56.17 |
| Director's Remuneration | 15.75 | 24.66 |
| Gratuity | 5.87 | 22.94 |
| Staff Welfare Expenses | 183.16 | 227.51 |
| Total Employee Benefits Expense | <u>1,823.41</u> | <u>1,986.53</u> |
| 31 FINANCE COST | | |
| Interest Expense | 396.13 | 538.19 |
| Other Borrowing Cost | 188.60 | 181.53 |
| Total Finance Cost | <u>584.73</u> | <u>719.72</u> |
| 32 DEPRECIATION AND AMORTISATION | | |
| Depreciation on Tangible Assets | 803.31 | 783.70 |
| Amount transferred from Revaluation Reserve | (0.30) | (0.30) |
| Total Depreciation and Amortisation | <u>803.01</u> | <u>783.40</u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | <u>For the year ended 31st March, 2021</u> | <u>For the year ended 31st March, 2020</u> |
|--|--|--|
| 33 OTHER EXPENSES | | |
| MANUFACTURING EXPENSE | | |
| Stores, Spares and Tools Consumed | 2,951.03 | 2,222.49 |
| Power & Fuel | 1,933.49 | 1,899.38 |
| Processing Charges | 850.06 | 680.51 |
| Repairs & Maintenance : | | |
| Buildings | 49.82 | 49.25 |
| Plant & Machinery | 462.63 | 432.06 |
| Other | 47.31 | 57.80 |
| Total Manufacturing Expense (I) | <u><u>6,294.33</u></u> | <u><u>5,341.50</u></u> |
| ADMINISTRATIVE EXPENSES | | |
| Rent, Rates and Taxes | 83.06 | 97.16 |
| Insurance | 27.12 | 21.81 |
| Travelling Expenses | 5.89 | 24.90 |
| Commission on Sale | 17.75 | 14.88 |
| Packing Expenses | 514.92 | 446.88 |
| Advertisement & Sales Promotion | 2.61 | 7.59 |
| Printing & Stationary | 9.01 | 13.97 |
| Postage & Telegram | 1.10 | 5.57 |
| Telephone Expenses | 7.20 | 7.79 |
| Legal & Professional Charges | 63.73 | 100.31 |
| Membership & Subscription | 0.91 | 1.48 |
| Charity & Donation | 1.35 | 0.82 |
| Corporate Social Responsibility Expense | 27.71 | 14.89 |
| Security Services | 93.11 | 101.37 |
| Miscellaneous Expenses | 1.24 | 3.77 |
| Loss on Sale of Fixed Assets (Net) | (0.06) | 1.34 |
| Conveyance Expenses | 5.52 | 9.65 |
| Vehicles Running & Maintenance | 13.39 | 17.13 |
| Freight Outward | 879.55 | 680.57 |
| Auditors Remuneration :- | - | - |
| Audit Fees | 7.50 | 7.50 |
| Director's Sitting Fee | 0.20 | 0.15 |
| Total Administrative Expense (II) | <u><u>1,762.80</u></u> | <u><u>1,579.52</u></u> |
| Total Other Expenses (I+II) | <u><u>8,057.13</u></u> | <u><u>6,921.02</u></u> |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All Amount in ₹ Lakhs unless otherwise stated)

| | <u>For the year ended 31st March, 2021</u> | <u>For the year ended 31st March, 2020</u> |
|---|--|--|
| 34 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES | | |
| a) Gross amount required to be spent during the year | 19.58 | 22.94 |
| Amount unspent for financial year 2019-20 | 8.05 | NIL |
| Total Amount to be spent on CSR for the year | 27.63 | 22.94 |
| b) Amount spent during the year on | 27.71 | 14.89 |
| i) Construction/ acquisition of any asset | NIL | NIL |
| ii) On purposes other than i) above | 27.71 | 14.89 |
| 35 SEGMENT REPORTING | | |
| 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 | | |
| 36 FOREIGN CURRENCY TRANSACTIONS: | | |
| I. CIF Value of Imports : | | |
| a) Plant & Machinery | - | - |
| II. Expenditure in Foreign currency | | |
| a) Commission on Export Sales | 18.27 | 12.46 |
| b) Foreign Travel (Foreign Exchange Utilized) | - | 7.82 |
| c) Repair & Maint. (Plant & Mach.) | 0.42 | 4.05 |
| d) Fixed Assets | 43.90 | 1.40 |
| III. Earnings in Foreign Exchange | | |
| * Value of Export on F.O.B. basis | 5,737.34 | 4,304.30 |
| IV. Dividend paid in Foreign Currency | | |
| Details of amount remitted during the year in foreign currency on account of dividend | - | - |
| 37 EARNING PER SHARE | | |
| Earning per Share computed in accordance with Accounting Standard (Ind AS-33) | | |
| a) Numerator | | |
| Net profit after taxation as per Statement of Profit and Loss (before Exceptional items) | 1,076.29 | 384.08 |
| Net profit after taxation as per Statement of Profit and Loss (After Exceptional Items) | 1,076.29 | 384.08 |
| b) Denominator | | |
| No. of Shares at the beginning of the year | 5,076,504 | 5,076,504 |
| Total Equity shares outstanding at the end of the year | 5,076,504 | 5,076,504 |
| Weighted Average no of Equity shares for the year | 5,076,504 | 5,076,504 |
| Weighted Average of Diluted Equity shares for the year | 5,076,504 | 5,076,504 |
| c) Face value per Share (₹) | 10 | 10 |
| d) Earning Per Share | | |
| Basic and Diluted (before Exceptional Items) | 21.20 | 7.57 |
| Basic and Diluted (After Exceptional Items) | 21.20 | 7.57 |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(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 aggregates to ₹ **60.49**
- (b) Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the company are as follows:

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Not later than one year | 69.74 | 66.86 |
| Later than one year and not later than five years | 263.50 | 250.93 |
| Later than five years | - | - |

39 CONTINGENT LIABILITIES AND COMMITMENTS
CONTINGENT LIABILITIES

| | | |
|---|----------|--------|
| a) Guarantees | 8.00 | 8.00 |
| b) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment | 974.81 | 0.32 |
| c) Estimated amount of contracts remaining to be executed on capital account and not provided | | |
| Total value of Contracts | 1,272.93 | 684.36 |
| Contracts Remaining to be executed | 920.70 | 392.44 |

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

| | Axles Shafts (Nos.) | Axles Shafts (Nos.) |
|--|------------------------|------------------------|
| | N.A. | N.A. |
| Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter) | 2100000 | 2100000 |
| Actual Production | 1564249 | 1489167 |

41 TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC. (₹ in Lakhs)

| TURNOVER | | For the Year Ended 31st March, 2021 | | For the Year Ended 31st March, 2020 | |
|------------------|------|--|------------------|--|------------------|
| Finished Goods: | UOM | Quantity | Value | Quantity | Value |
| Axle Shafts | Nos. | 1564249 | 23,087.44 | 1491867 | 20,731.89 |
| Scrap and Others | Kgs. | 2835800 | 611.02 | 3456212 | 655.95 |
| Total | | | 23,698.46 | | 21,387.84 |
| STOCKS OF GOODS | | | | | |
| Opening Stock: | | | | | |
| Axle Shafts | Nos. | - | - | 2,700 | - |
| Closing Stock: | | | | | |
| Axle Shafts | Nos. | - | - | - | - |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
42 CONSUMPTION ANALYSIS
42.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-

(₹ in Lakhs)

| TURNOVER | For the Year Ended 31st March, 2021 | | For the Year Ended 31st March, 2020 | |
|---------------|--|------------------|--|-----------------|
| | Quantity | Value | Quantity | Value |
| Metallic Rods | 20960754 | 10,916.12 | 17,486,787 | 9,982.39 |
| Indigenous | 100% | 10,916.12 | 100% | 9,982.39 |
| Total | 100% | 10,916.12 | 100% | 9,982.39 |

42.2 COMPOSITIONS OF STORES , SPARES AND TOOLS CONSUMED:-

(₹ in Lakhs)

| TURNOVER | For the Year Ended 31st March, 2021 | | For the Year Ended 31st March, 2020 | |
|--------------|--|-----------------|--|-----------------|
| | Quantity | Value | Quantity | Value |
| Indigenous | 100% | 2,951.03 | 100% | 2,222.49 |
| Total | 100% | 2,951.03 | 100% | 2,222.49 |

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. Rajesh Talwar | Father of Tarun Talwar |
| Mrs. Gita Talwar | Mother of Mr. Tarun Talwar |
| Mrs. Sameena Talwar | Sister of Mr. Tarun Talwar |
| Mrs. Shweta Talwar | Wife of Mr. Tarun Talwar |

| Name of Person | Nature of Transaction | Transaction Amount | | Receivables/(Payables) | |
|------------------------|------------------------|--------------------|------------|------------------------|------------|
| | | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| Mr. Tarun Talwar | Salary | 52.80 | 52.80 | (2.72) | (2.74) |
| Mr. Sanjay Sharma | Salary | 12.15 | 12.14 | (0.89) | (0.92) |
| Mr. Vijay Kumar Sharma | Salary | 11.78 | 12.52 | (0.90) | (0.85) |
| Mr. Ankush Jindal | Salary | 7.84 | 7.83 | (0.64) | (0.63) |
| Mr. Kanwar Pal Pawar | Salary | 4.24 | 4.22 | (0.35) | (0.34) |
| Mr. Rajesh Talwar | Salary | 31.20 | 29.70 | (1.90) | (1.28) |
| | Unsecured Loans Recd. | 30.00 | 223.50 | (215.75) | (223.50) |
| | Interest on Loan | 19.99 | 1.78 | - | - |
| Mrs. Gita Talwar | Unsecured Loans Recd. | 308.00 | 150.00 | (592.30) | (591.40) |
| | Unsecured Loans Repaid | 307.10 | - | - | - |
| | Interest on Loan | 60.55 | 16.58 | - | - |
| Mrs. Sameena Talwar | Unsecured Loans Recd. | - | - | - | - |
| | Unsecured Loans Repaid | - | 26.50 | - | - |
| | Interest on Loan | - | 0.76 | - | - |
| Mrs. Shweta Talwar | Unsecured Loans Recd. | 208.00 | 7.00 | (262.86) | (59.86) |
| | Interest on Loan | 13.50 | 7.87 | - | - |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
43.2 ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES HAVING SIGNIFICANT INFLUENCE

| Name of Person | Nature of Transaction | Transaction Amount | | Receivables/(Payables) | |
|----------------------------------|-----------------------|--------------------|------------|------------------------|------------|
| | | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 |
| J.T.Engineering Private Limited. | Job Work Charges Paid | - | 4.05 | 0.06 | (4.85) |
| | Rent Paid | 5.64 | 2.52 | | |

44 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.

45.1 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 |
|---|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | 31.03.2021 | | 31.03.2020 | |
| Determined by assuming salary rise of 6% per annum have been discounted by assuming the imputed rate of interest of 8 % per annum | 198 | 35.32 | 221 | 39.00 |

45.2 GRATUITY

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

EMPLOYEE BENEFITS
Defined Contribution Plans :-

The Company has recognised INR 5.86 Lakhs as expenses in the Statement of Profit and loss account for the year, (P.Y. INR 12.02 Lakhs)

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, 2021

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 2021).

Plan Liability

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

| Date Ending | 31.03.2021 | 31.03.2020 |
|---|-------------------|-------------------|
| Present value of obligation as at the end of the period | 174.00 | 168.56 |
| Service Cost | 31.03.2021 | 31.03.2020 |
| a) Current Service Cost | 11.53 | 11.74 |
| b) Past Service Cost including curtailment Gains/Losses | - | - |
| c) Gains or Losses on Non routine settlements | - | - |
| d) Total Service Cost | 11.53 | 11.74 |
| Net Interest Cost | 31.03.2021 | 31.03.2020 |
| a) Interest Cost on Defined Benefit Obligation | 11.46 | 11.34 |
| b) Interest Income on Plan Assets | 9.75 | 11.05 |
| c) Net Interest Cost (Income) | 1.71 | 0.29 |
| Change in Benefit Obligation | 31.03.2021 | 31.03.2020 |
| a) Present value of obligation as at the beginning of the period | 168.56 | 148.17 |
| b) Acquisition adjustment | - | - |
| c) Interest Cost | 11.46 | 11.34 |
| d) Service Cost | 11.53 | 11.74 |
| e) Past Service Cost including curtailment Gains/Losses | - | - |
| f) Benefits Paid | (8.04) | (22.83) |
| g) Total Actuarial (Gain)/Loss on Obligation | (9.50) | 20.14 |
| h) Present value of obligation as at the End of the period | 174.00 | 168.56 |
| Bifurcation of Actuarial Gain/Loss on Obligation | 31.03.2021 | 31.03.2020 |
| a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption | - | (0.08) |
| b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption | - | 9.08 |
| c) Actuarial (Gain)/Loss on arising from Experience Adjustment | (9.50) | 11.14 |
| Actuarial Gain/Loss on Plan Asset | 31.03.2021 | 31.03.2020 |
| a) Expected Interest Income | 9.75 | 11.05 |
| b) Actual Income on Plan Asset | 10.95 | 10.83 |
| c) Actuarial gain /(loss) for the year on Asset | 1.20 | (0.22) |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

| Balance Sheet and related analysis | 31.03.2021 | 31.03.2020 |
|--|-------------------|-------------------|
| a) Present Value of the obligation at end | 174.00 | 168.56 |
| b) Fair value of plan assets | 177.10 | 143.34 |
| c) Unfunded Liability/provision in Balance Sheet | 3.09 | (25.22) |

| The amounts recognized in the income statement. | 31.03.2021 | 31.03.2020 |
|--|-------------------|-------------------|
| a) Total Service Cost | 11.53 | 11.74 |
| b) Net Interest Cost | 1.71 | 0.29 |
| c) Expense recognized in the Income Statement | 13.24 | 12.03 |

| Other Comprehensive Income (OCI) | 31.03.2021 | 31.03.2020 |
|--|-------------------|-------------------|
| a) Net cumulative unrecognized actuarial gain/(loss) opening | - | - |
| b) Actuarial gain / (loss) for the year on PBO | 9.50 | (20.14) |
| c) Actuarial gain /(loss) for the year on Asset | 1.20 | (0.22) |
| d) Unrecognized actuarial gain/(loss) for the year | 10.71 | (20.36) |

| Change in plan assets | 31.03.2021 | 31.03.2020 |
|---|-------------------|-------------------|
| a) Fair value of plan assets at the beginning of the period | 143.34 | 144.43 |
| b) Actual return on plan assets | 10.95 | 10.83 |
| c) Employer contribution | 30.85 | 10.91 |
| d) Benefits paid | (8.04) | (22.83) |
| e) Fair value of plan assets at the end of the period | 177.10 | 143.34 |

| Major categories of plan assets (as %age of total plan assets) | 31.03.2021 | 31.03.2020 |
|---|-------------------|-------------------|
| 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 | 100% | 100% |
| g) Bank Balance | - | - |
| Total | 100% | 100% |

| Change in Net Defined Benefit Obligation | 31.03.2021 | 31.03.2020 |
|---|-------------------|-------------------|
| a) Net defined benefit liability at the start of the period | 25.22 | 3.75 |
| b) Acquisition adjustment | - | - |
| c) Total Service Cost | 11.53 | 11.74 |
| d) Net Interest cost (Income) | 1.71 | 0.29 |
| e) Re-measurements | (10.71) | 20.36 |
| f) Contribution paid to the Fund | (30.85) | (10.91) |
| g) Benefit paid directly by the enterprise | - | - |
| h) Net defined benefit liability at the end of the period | (3.09) | 25.22 |

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

| Bifurcation of PBO at the end of year in current and non current. | 31.03.2021 | 31.03.2020 |
|--|-------------------|------------|
| a) Current liability (Amount due within one year) | 44.45 | 43.72 |
| b) Non-Current liability (Amount due over one year) | 129.55 | 124.84 |
| Total PBO at the end of year | 174.00 | 168.56 |

| Expected contribution for the next Annual reporting period. | 31.03.2021 | 31.03.2020 |
|--|-------------------|------------|
| a) Service Cost | 13.25 | 13.15 |
| b) Net Interest Cost | (0.21) | 1.71 |
| c) Expected Expense for the next annual reporting period | 13.04 | 14.86 |

- 46** 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.
- 47** Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.
- 48** All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.
- 49** 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 : 21.06.2021
 UDIN No.: 21085714AAAACM7774

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