



37th Annual Report 2022-23



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IATF 16949:2016 No. 02108/0

TALBROS ENGINEERING LIMITED



TALBROS ENGINEERING LIMITED

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

CIN: L74210HR1986PLC033018

Phone: 0129-4284300, Fax: 0129-4061541

Email: cs@talbrosaxles.com, Website: www.talbrosaxles.com

37TH ANNUAL REPORT 2022-2023

BOARD OF DIRECTORS

| | |
|--------------------------|------------------------|
| MR. VIJAY KUMAR SHARMA | (Executive Director) |
| MR. SANJAY SHARMA | (Executive Director) |
| MR. SUNIL KUMAR | (Independent Director) |
| MRS. SHASHI KHURANA | (Independent Director) |
| MR. KULDEEP SINGH BHALLA | (Independent Director) |
| MR. SARABJEET SINGH | (Independent Director) |

CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

COMPANY SECRETARY

MR. ANKUSH JINDAL

BANKERS / NBFC

Hdfc Bank Limited

Db's Bank Limited

Yes Bank Limited

The Hongkong And Shanghai Banking Corp. Ltd.

Bajaj Finance Limited

AUDITORS

M/s Rakesh Raj & Associates

Chartered Accountants

825, Sector 21A, Faridabad, Haryana - 121001

REGISTRAR AND TRANSFER AGENT (RTA)

M/s Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor, 99, Madangir,

Behind LSC, New Delhi - 110062,

Ph. 011-29961281-282 Fax: 011-29961284

REGISTERED AND WORKS OFFICE

Plot No. 74-75-76, Sector-6,

Faridabad - 121006 (Haryana)

WORKS

- Plot No. 35, 36, 37, 38 & 57, Indl. Area, Hathin, Distt. Palwal (Haryana)
- Plot No. 77 & 80, Sector-68, IMT Faridabad, Haryana
- Plot No. 3, Sector-5, Faridabad, Haryana
- Plot No. 2 & 3, 20/4, Nepco Compound, Faridabad, Haryana
- Plot No. 27, Sector-4, Faridabad, Haryana -121 006
- Plot No. 79, Sector-6, Faridabad, Haryana - 121 006

STOCK EXCHANGE

BSE Limited

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 37th 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 2023.

FINANCIAL RESULTS:

(₹ in Lacs)

| Particulars | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---|-----------------------------------|-----------------------------------|
| Revenue from Operations | | |
| - Sale of Products | 42,693 | 33,516 |
| - Other Operating revenues | 1,724 | 1,598 |
| Total Revenue from Operations | 44,417 | 35,114 |
| Other Income | 258 | 110 |
| Total Income | 44,675 | 35,224 |
| Profit before Interest, Depreciation & Tax | 5,601 | 4,621 |
| Less: Interest | 932 | 845 |
| Depreciation | 920 | 853 |
| Exceptional Items | NIL | NIL |
| Profit Before Tax and After Exceptional Items | 3,749 | 2,922 |
| Less: Previous Year adjustments | 3 | 3 |
| Provision for current year income-tax | 950 | 750 |
| Provision for Deferred Tax | 3 | (41) |
| Net Profit after tax | 2,793 | 2,210 |
| Net profit after tax and adjustments | 2,793 | 2,210 |
| Other Comprehensive Income | | |
| - Items that will not be classified to profit or loss | 2 | 6 |
| - Items that will classified to profit or loss | NIL | NIL |
| Total Income | 2,795 | 2,216 |
| EPS (Basic) | 55.05 | 43.64 |
| EPS (Diluted) | 55.05 | 43.64 |

REVIEW OF OPERATIONS:

The Company has achieved net revenue from operations of ₹44,417 Lakhs in this financial year ended on 31st March, 2023 as against 35,114 Lakhs for the previous financial year. The net profit after tax for this year is ₹2,795 Lakhs as compared to ₹2,210 Lakhs for the previous financial year.

Reserves & Surplus as on 31st March, 2023 stand at ₹11,443 Lakhs as against the paid-up capital of ₹508 Lakhs.

DIVIDEND:

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

Company at the ensuing Annual general meeting (AGM) of the Company.

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, 2023 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 and the Company has not issued any Shares with differential rights, bonus shares, sweat equity shares and Debentures/bonds.

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 ₹3,24,816/- pertaining to unclaimed and unpaid dividend for the financial year 2014-15. Further, 3,917 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 have been reported by the Statutory Auditors and Secretarial 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 2022-23. 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 2022-23 stands at ₹6,460 Lakhs as against ₹8,813 Lakhs in the previous fiscal.

BORROWINGS:

The Company's consolidated borrowings as on March 31, 2023 was ₹10,122 Lakhs as against ₹9,791 Lakhs as at March 31, 2022.

CREDIT RATING:

Your Company has been assigned a rating of A-(Stable Outlook) for Long Term Bank Facilities (Term Loans) of ₹24.43 Crores and rating of A-/A2+ (Stable Outlook) for Short Term Bank Facilities (Fund Based Limits) of ₹40.00 Crores availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

SUBSIDIARIES:

The Company is not having any subsidiary company.

BOARD OF 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, Mrs. Seema Sethi, Independent Woman Director of the Company has resigned from the office of Director and Mrs. Shashi Khurana has been appointed as an Additional Independent Woman Director of the Company with effect from 23rd May, 2022 for a tenure of 5 (Five) years and the said appointment has been confirmed by the shareholders in Annual General Meeting held on 22nd August, 2022.

Further, the tenure of appointment of Mr. Sanjay Sharma as a Whole Time Director (Designated as an Executive Director) will expire on 31st October, 2023 and tenure of appointment of Mr. Sunil Kumar as an Independent Director will expire on 31st March, 2024. The Nomination and Remuneration Committee and Board of Directors in their meetings held on 08th August, 2023 have recommended the appointment of Mr. Ankush Jindal as a Whole Time Director (to be designated as an Executive Director) and Mrs. Seema Sethi as an Independent

Director of the Company w.e.f. 01st November, 2023 and 01st April, 2024 respectively. The said appointments shall be subject to the approval of shareholders in ensuing General Meeting of the Company. Details related to their appointment as required to be disclosed under the Companies Act, 2013 / SEBI (LODR) Regulations is given in Annexure to the notice of 37th Annual General Meeting.

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 and changes during the year under review is provided in Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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 6 (Six) 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 2022-23.

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 6 (Six) meetings of the committee were held. The responsibility and duties of Audit Committee have been detailed in the Corporate Governance Report. Mr. Sarabjeet Singh has been appointed as member of Committee due to vacancy caused by the resignation of Mrs. Seema Sethi.

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. Mr. Sarabjeet Singh has been appointed as member of Committee due to vacancy caused by the resignation of Mrs. Seema Sethi.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

CHANGE IN THE NATURE OF BUSINESS:

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

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

There has been no material changes and commitments,

which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

RELATED PARTY TRANSACTIONS:

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

STATUTORY AUDITORS:

M/s Rakesh Raj & Associates, Chartered Accountants (Firm registration number 005145N) was appointed as Statutory Auditors of the Company to hold the office from the conclusion of 36th Annual General Meeting held on 22nd August, 2022, till

the conclusion of 41st Annual General Meeting to be held in year 2027.

The Statutory Auditors Report for Financial Year 2022-23 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, 2023. 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 AUDITORS:

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, 2023 is being attached with the Director's Report as Annexure-B which is self explanatory and needs no comments.

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

SECRETARIAL COMPLIANCE REPORT

Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, in addition to the secretarial audit, Annual Secretarial Compliance report given by M/s Anuj Gupta & Associates, Company Secretaries on compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder is annexed as Annexure-C

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 08th August, 2023 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) reaffirms its commitment towards high social, ethical and environmental standards since its inception. TEL believes that an organization should make all decisions considering the social and environmental consequences. The Corporate Social Responsibility (CSR) Committee identifies the areas for allocating expenditures in line with the budget allocated.

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 |

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:

- Contributing to the Non profit organisations engaged in promoting Organ Donations activities.
- To create equitable opportunities for the under privileged children of the society.
- Improving health care with the help of modern medical equipment.
- Establishing modern health care facilities in villages.
- Contributing to the non profit organisations indulged in rendering of free services including lab testing, dispensary and emergency services.
- Relief during natural disasters.
- Career Counselling programs for the under privileged students.
- 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.

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

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

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

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

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

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies

8. (a) CSR Amount spent or unspent for the financial year:

| Total Amount spent for the Financial Year | Amount Unspent | | | | |
|---|----------------|------------------|---|--------|------------------|
| | (In ₹ Lakhs) | | 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 |
| 32.56 | 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 | Eradicating Hunger | (i) | Yes | Haryana | Faridabad | 2.50 | No | Bhakta Bandhav Society | CSR00035097 |
| 2 | Education | (ii) | Yes | Haryana | Faridabad | 2.00 | No | National Association for Blind | CSR00007692 |
| | | | | | | 1.36 | Yes | NA | NA |
| | | | | | | 1.00 | No | Chetna Welfare Society (Regd.) | CSR00026593 |
| | | | | | | 2.00 | No | Tender Hearts Education Society | CSR00013259 |
| 3 | Health Care | (i) | No | Delhi | New Delhi | 5.00 | No | Savera Association | CSR00021957 |
| | | | | | | 0.50 | No | Health with Aid Foundation | CSR00030327 |
| | | | | | | 0.16 | No | Sri Ram Goburdhun Chairtable Trust | CSR00016361 |

| (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 imple-mentation Direct (Yes/No) | Mode of implementation - Through Implementing agency | |
| | | | | State | District | | | Name | CSR registration Number |
| 4 | Eradicating Hunger | (i) | No | Uttar Pradesh | Mathura | 1.50 | No | Param Shakti Peeth | CSR00000072 |
| 5 | Education | (ii) | No | Delhi | New Delhi | 3.00 | No | RBTH Singh Memorial Charitable Hospital Society | CSR00017815 |
| 6 | Animal Welfare | (iv) | Yes | Haryana | Faridabad | 3.00 | No | Shri Gopal Gaushala | CSR00019015 |
| | | | | | | 2.00 | No | People for Animals Trust | CSR00007721 |
| | | | | | | 1.50 | No | Gow Raksha Sadan | CSR00020618 |
| 7 | Orphanage / Old Age Home | (iii) | Yes | Haryana | Faridabad | 1.50 | No | Saint Hardayal Education & Orphans Welfare Society | CSR00000665 |
| 8 | Education | (ii) | No | Himachal Pradesh | Kasauli | 2.00 | No | The Lawrence School (Sanawar) Society | CSR00013043 |
| 9 | Health Care | (i) | No | Gujarat | Ankhleshwar | 3.00 | No | HMP Gramya Vikas and Kalyan Foundation | CSR00011486 |
| 10 | Health Care | (i) | Yes | Haryana | Palwal | 0.54 | Yes | NA | NA |
| | TOTAL | | | | | 32.56 | | | |

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 32.56 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 Rs.) | 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 | 2021-22 | NIL | NIL | NA | NIL | NA | NIL |
| 2 | 2020-21 | NIL | NIL | NA | NIL | NA | NIL |
| 3 | 2019-20 | NIL | 8.05 | 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 | 14.33 | 6.82 |
| Mr. Vijay Kumar Sharma | Executive Director | 13.56 | 6.45 |
| Mr. Kuldeep Singh Bhalla | Independent Director | 0.10 | Only Sitting fees paid |
| Mr. Sunil Kumar | Independent Director | 0.10 | Only sitting fees paid |
| Mrs. Shashi Khurana | Independent Director | 0.10 | Only sitting fees paid |
| Mr. Sarabjeet Singh | Independent Director | 0.10 | 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 2022-23 | Remuneration for the year ended 2021-22 | % change during the year |
|------------------------------|----------------------|---|---|-----------------------------|
| Mr. Sanjay Sharma | Executive Director | 14.33 | 13.64 | 5.06 |
| Mr. Vijay Kumar Sharma | Executive Director | 13.56 | 12.07 | 12.34 |
| Mr. Sunil Kumar | Independent Director | 0.10 | 0.05 | 100.00 |
| Mrs. Shashi Khurana | Independent Director | 0.10 | 0.05 | 100.00 |
| Mr. Kuldeep Singh Bhalla | Independent Director | 0.10 | 0.05 | 100.00 |
| Mr. Sarabjeet Singh | Independent Director | 0.10 | 0.05 | 100.00 |
| Mr. Ankush Jindal | Company Secretary | 9.64 | 9.06 | 6.40 |
| Mr. Kanwar Pal Pawar | CFO | 4.93 | 4.86 | 1.44 |

(c) The median remuneration of the employees has decreased by 1.25% in 2022-23 as compared to 2021-22.

(d) The annual average increase in the salaries of employees other than managerial personnel during the last financial year was around 6%. 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 |
|----------------|------------------|
| 2021-22 | 193 |
| 2022-23 | 212 |

- (f) We affirm that the remuneration paid to Directors, Key Managerial Personnel's and employees is as per the remuneration policy of the Company.
- (g) The details pursuant to the provisions of Section 197(12) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014, as amended from time to time pertaining to top ten employees in terms of remuneration drawn and employees drawing remuneration of more than One Crore and Two Lakhs Rupees during the year will be available for inspection at the Registered Office of the Company during the working hours as and when requested by any shareholder in terms of section 136 of Companies Act, 2013.

CORPORATE GOVERNANCE CERTIFICATE:

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

UNCLAIMED SHARE SUSPENSE ACCOUNT

During the year, the Company has opened a Share Suspense Account with SMC Global Securities Limited for transfer of unclaimed bonus equity shares of the Company. The Company has transferred 5,882 no. of equity shares of 171 shareholders to the Suspense Account during the year.

During the year, the Company has received one request for claiming shares. Following is the reconciliation of the same:

| S. No. | Particulars | No. of Shareholders | No. of Shares |
|--------|---------------------------|---------------------|---------------|
| 1 | At the beginning of year | 171 | 5882 |
| 2 | Claim request received | 2 | 106 |
| 3 | At the end of year | 169 | 5776 |

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

EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2022-23 being attached with the Directors Report as Annexure – D

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

In order to prevent sexual harassment of women at work place a new act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

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

OTHER DISCLOSURES:

- There is no application or proceeding pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year.
- There is no difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from Bank or Financial Institution.
- During the year under review, the Company has not done any buy back of equity shares.
- The disclosure pertaining to explanation for any deviation or variation in connection with certain terms of public issue, right issue, preferential issue etc. is not applicable to the Company.
- There was no instance of non-compliance by the Company on any matters relating to capital markets; nor was there any penalty/ strictures imposed by the Stock Exchange or SEBI or any other statutory authority on such matters during the last three years.
- Your Company does not fall under the category of large corporate, as defined under SEBI vide its circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 201, as such no disclosure is required in this regard.

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

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

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

Place: Faridabad
Date: 08th August, 2023

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts/arrangements/transactions: Not Applicable
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in General Meeting as required under first proviso to section 188: Not Applicable

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

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

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

(Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

(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 procures 30% of raw material from Geen Steel Industries (having Electric Arc Furnace Technology)
- The Company has a policy to recycle residual machining scrap by product
- The Company has started installing HUF Air Conditioners to save electricity.
- The Company has started replacing diesel forklifts with battery operated forklifts
- The Company has started installing stabilizers on main electric points to replace multi stabilizers at different points in all plant locations.
- The Company has installed and made operational roof top solar panels in IMT plant.
- Replacement of coils in upsetters resulting in cycle time reduction.
- Use of PNG instead of diesel for furnaces which results in 20% cost efficiency.
- Set up of new upgraded machineries have been adopted with inverter drives which consequently will lead to less electricity consumption.
- Installation of solid state machines for Induction hardening which will result in less consumption of power.
- Installation of sky shades which will help in reducing energy consumption during day time.

(B) Technology absorption:

- Installation of Robots in Induction Hardening Process and adopted Robo Pre IH and Post IH.
- Installation of fully automated machining line capability with inbuilt dimensional and Metallurgical inspection Poka Yoke.
- Pick and Place PLC based has been adopted in different plant location
- Integration of Induction Hardening with eddy current sorter for defect detection.
- 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 | 41.68 |
| 2 | Foreign Travelling | 6.19 |
| 3 | Repair & Maintenance (Plant & Machinery) | 7.60 |
| 4 | Fixed Assets | 44.58 |
| 5 | Dividend paid for the FY 2021-22 | 0.01 |
| | Total | 100.06 |
| | <i>Earnings</i> | |
| 1 | Value of Exports on FOB Basis | 6,133.25 |
| | Total | 6,133.25 |

ANNEXURE - B**SECRETARIAL AUDIT REPORT****For the Financial Year Ended on 31st March, 2023**

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Talbro Engineering Limited, CIN: L74210HR1986PLC033018** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2023 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, 2023, 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;
A member of Promoter group Mr. Karan Talwar has purchased equity shares of the Company during trading window closure period. The Company has issued a warning letter to him and imposed a monetary penalty of Rs. 20,000/- for said violation and the same has been deposited by him to SEBI IPEF.
- (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;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable to the Company during the audit period**
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not Applicable to the Company during the audit period**
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: **Not Applicable to the Company during the audit period**

(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.

- Mrs. Seema Sethi has tendered her resignation from the office of Independent Woman Director of the Company w.e.f. 23rd May, 2022.
- Mrs. Shashi Khurana has been appointed as an Additional Independent Woman Director of the Company w.e.f. 23rd May, 2022 and the said

appointment has been confirmed by Shareholders of the Company in Annual General meeting held on 22nd August, 2022.

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

Majority decision is carried through while the views of dissenting members were not required to be captured and recorded as part of the minutes as there was no such instance.

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

Place: New Delhi Practising Company Secretary
Date: 08.08.2023 M. NO. ACS 31025
UDIN: A031025D000477856 COP No. 13025
Peer Review Certificate No: 1126/2021

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

Place: New Delhi Practising Company Secretary
Date: 08.08.2023 M. NO. ACS 31025
UDIN: A031025D000477856 COP No. 13025
Peer Review Certificate No: 1126/2021

ANNEXURE - C

SECRETARIAL COMPLIANCE REPORT OF TALBROS ENGINEERING LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2023

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

I have examined:

- (a) All the documents and records made available to us and explanation provided by Talbros Engineering Limited (CIN: L74210HR1986PLC033018) ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchange,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended on 31st March, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, Circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulations) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable during the year.**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the year.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable during the year.**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the year.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the year.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Circulars/ guidelines issued under the above stated regulations, to extent applicable to the listed entity

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

| S. No. | Particulars | Compliance Status (Yes/No/NA) | Observations / Remarks by PCS |
|--------|--|-------------------------------|-------------------------------|
| 1. | Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable. | Yes | NA |
| 2. | Adoption and timely updation of the Policies <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI | Yes | None |
| 3. | Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website | Yes | None |

| S. No. | Particulars | Compliance Status (Yes/No/NA) | Observations / Remarks by PCS |
|--------|---|-------------------------------|--|
| 4. | Disqualification of Director: None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity | Yes | None |
| 5. | Details related to Subsidiaries of listed entities have been examined w.r.t. (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries | NA | There is no material subsidiary of the Company |
| 6. | Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LOSR Regulations, 2015. | Yes | None |
| 7. | Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the committees at the start of every financial year/during the financial year as prescribe in SEBI Regulations. | Yes | None |
| 8. | Related Party Transaction: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the Audit Committee, in case no prior approval has been obtained. | Yes | None |
| 9. | Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder. | Yes | None |
| 10. | Prohibition of Insider Trading: The Listed entity is in compliance with Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015. | Yes | None |
| 11. | Actions taken by SEBI or Stock Exchange(s), if any: No actions(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**). | NA | No action has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder |
| 12. | Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc. | NA | A member of promoter group Mr. Karan Talwar has purchased equity shares of the listed entity during trading window closure period during the Review Period. The listed entity has issued a warning letter and imposed a penalty of Rs. 20,000/- for said violation which has been deposited by him in SEBI IPEF. |

Compliances related to resignation of statutory Auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

| S. No. | Particulars | Compliance Status (Yes/No/NA) | Observations / Remarks by PCS |
|-----------|---|-------------------------------|-------------------------------|
| 1. | Compliances with the following conditions while appointing/re-appointing an auditor | | |
| | i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or | NA | None |
| | ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter as well as the next quarter; or | NA | None |
| | iii. If the auditor has signed the limited review/audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/audit report for the last quarter of such financial year as well as the audit report for such financial year. | NA | None |
| 2. | Other conditions relating to resignation of statutory auditor | | |
| | i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: | | |
| | a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall received such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. | NA | None |
| | b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/explanation from the Company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable | NA | None |
| | c. The Audit Committee/Boards of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. | NA | None |
| | ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/NFRA, in case where the listed entity/its material subsidiary has not provided information as required by the auditor. | NA | None |
| 3. | The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019. | Yes | None |

And based on the above examination, we hereby report that, during the review period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in matters specified below: -

| Sr. No. | Compliance Requirement (Regulations/ Circulars/ guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/ Remarks of the Practicing Company Secretary | Management Response | Remarks |
|----------------------------|---|--------------------------|------------|-----------------|----------------|----------------------|-------------|---|---------------------|---------|
| ----- NOT APPLICABLE ----- | | | | | | | | | | |

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| S. No. | Compliance Requirement (Regulations/ Circulars/ guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action taken by | Type of Action | Details of Violation | Fine Amount | Observations/ Remarks of the Practicing Company Secretary | Management Response | Remarks |
|----------------------------|---|--------------------------|------------|-----------------|----------------|----------------------|-------------|---|---------------------|---------|
| ----- NOT APPLICABLE ----- | | | | | | | | | | |

For **Anuj Gupta & Associates**
Company Secretaries

Date: 23/05/2023
Place: New Delhi

Sd/-
Anuj Gupta
Proprietor
M. No. 31025
C P No. 13025

UDIN: A031025E000361135
Peer Review Certificate No: 1126/2021

ANNEXURE - D

FORM NO. MGT-9

EXTRACTS OF ANNUAL RETURN

As on the financial year ended on 31st March, 2023

[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: -

| Sl. 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:

| Sl. 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 | 36,96,666 | Nil | 36,96,666 | 72.82 | 36,97,139 | Nil | 36,97,139 | 72.83 | 0.01 |
| 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):- | 36,96,666 | Nil | 36,96,666 | 72.82 | 36,97,139 | Nil | 36,97,139 | 72.83 | 0.01 |
| (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) | 36,96,666 | Nil | 36,96,666 | 72.82 | 36,97,139 | Nil | 36,97,139 | 72.83 | 0.01 |
| | | | | | | | | | |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) INSTITUTIONS | | | | | | | | | |
| a) Mutual Funds | 586 | Nil | 586 | 0.01 | 586 | Nil | 586 | 0.01 | Nil |
| b) Banks / FI | Nil | 720 | 720 | 0.01 | Nil | 720 | 720 | 0.01 | Nil |
| 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 | 10 | Nil | 10 | 0.01 | 10 | Nil | 10 | 0.01 | Nil |
| g) FIIs | 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):- | 596 | 720 | 1,316 | 0.03 | 596 | 720 | 1,316 | 0.03 | Nil |
| (2) NON-INSTITUTIONS | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 31,695 | 3,468 | 35,163 | 0.69 | 34,849 | 3,098 | 37,947 | 0.75 | 0.06 |
| i) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 5,70,213 | 93,912 | 6,64,125 | 13.08 | 5,59,883 | 83,437 | 6,43,320 | 12.67 | (0.41) |
| (ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 1,20,434 | Nil | 1,20,434 | 2.37 | 1,20,894 | Nil | 1,20,894 | 2.38 | 0.01 |
| c) Others | | | | | | | | | |
| (i) Trusts | 278 | Nil | 278 | 0.01 | 278 | Nil | 278 | 0.01 | Nil |
| (ii) NRI | 4,64,444 | 585 | 4,65,029 | 9.16 | 4,64,775 | 585 | 4,65,360 | 9.16 | Nil |
| (ii) HUF | 20,253 | Nil | 20,253 | 0.40 | 32,997 | Nil | 32,997 | 0.65 | 0.25 |
| (iii) Clearing Member | 663 | Nil | 663 | 0.01 | 409 | Nil | 409 | 0.00 | (0.01) |
| (iv) IEPF Authority | 72,577 | Nil | 72,577 | 1.43 | 76,494 | Nil | 76,494 | 1.51 | 0.08 |
| (v) Suspense Escrow A/c | Nil | Nil | Nil | Nil | 350 | Nil | 350 | 0.01 | 0.01 |
| Sub-total (B)(2):- | 12,80,557 | 97,965 | 13,78,522 | 27.15 | 12,90,929 | 87,120 | 13,78,049 | 27.14 | (0.01) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 12,81,153 | 98,685 | 13,79,838 | 27.18 | 12,91,525 | 87,840 | 13,79,365 | 27.17 | (0.01) |
| | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 49,77,819 | 98,685 | 50,76,504 | 100.00 | 49,88,664 | 87,840 | 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 | 3,30,558 | 6.51 | Nil | 5.70 |
| 2 | Mr. Karan Talwar | 1,05,048 | 2.07 | Nil | 3,94,845 | 7.78 | Nil | 5.70 |
| 3 | Rakesh Talwar (HUF) | 2,72,414 | 5.37 | Nil | 2,414 | 0.05 | Nil | (5.32) |
| 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 | 2,83,986 | 5.59 | Nil | (6.08) |
| 6 | Mrs. Gita Talwar | 10,11,754 | 19.93 | Nil | 10,11,754 | 19.93 | Nil | Nil |
| 7 | Mr. Rajesh Talwar | 10,10,498 | 19.91 | Nil | 10,10,498 | 19.91 | Nil | Nil |
| 8 | Mrs. Shweta Talwar | 3,68,424 | 7.26 | Nil | 3,68,424 | 7.26 | Nil | Nil |
| | Total | 36,96,666 | 72.82 | Nil | 36,97,139 | 72.83 | Nil | Nil |

(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 |
| | - Transfer by way of gift to Mr. Kartik Talwar on 24th June, 2022 | 2,70,000 | 5.32 | 2,414 | 0.05 |
| | At the end of the year | 2,414 | 0.05 | 2,414 | 0.05 |

| 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 |
| 2 | Mr. Rakesh Talwar | | | | |
| | At the beginning of the year | 5,92,634 | 11.67 | 5,92,634 | 11.67 |
| | - Transferred by way of gift on 24th June, 2022 | | | | |
| | - Mr. Karan Talwar | 2,89,324 | 5.70 | 3,03,310 | 5.97 |
| | - Mr. Kartik Talwar | 19,324 | 0.38 | 2,83,986 | 5.59 |
| | At the end of the year | 2,83,986 | 5.59 | 2,83,986 | 5.59 |

| 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 |
| 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 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| 4 | Mrs. Gita Talwar | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | 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 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| 5 | Mrs. Shweta Talwar | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 3,68,424 | 7.26 | 3,68,424 | 7.26 |
| | - Change during the year | Nil | Nil | 3,68,424 | 7.26 |
| | At the end of the year | 3,68,424 | 7.26 | 3,68,424 | 7.26 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| 6 | Mr. Karan Talwar | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 1,05,048 | 2.07 | 1,05,048 | 2.07 |
| | - Acquired by way of gift from Mr. Rakesh Talwar on 24 th June, 2022 | 2,89,324 | 5.70 | 3,94,372 | 7.77 |
| | - Acquired from open market on 29 th July, 2022 | 473 | 0.01 | 3,94,845 | 7.78 |
| | At the end of the year | 3,94,845 | 7.78 | 3,94,845 | 7.78 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--------------------------------|---|----------------------------------|---|----------------------------------|
| 7 | Mr. Kartik Talwar | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 41,234 | 0.81 | 41,234 | 0.81 |
| | - Acquired by way of gift from | | | | |
| | - Mr. Rakesh Talwar | 19,324 | 0.38 | 60,558 | 1.19 |
| | - Rakesh Talwar (HUF) | 2,70,000 | 5.32 | 3,30,558 | 6.51 |
| | At the end of the year | 3,30,558 | 6.51 | 3,30,558 | 6.51 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------|---|----------------------------------|---|----------------------------------|
| 8 | Mrs. Naini Talwar | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 2,94,660 | 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. | Particulars | 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 |
| | For Each of the Top 10 Shareholders | | | | |
| 1 | Mr. Sartaj Kumar Sahni | 4,51,004 | 8.88 | 4,51,004 | 8.88 |
| 2 | Investor Education and Protection Fund | 72,577 | 1.43 | 76,494 | 1.51 |
| 3 | Mahendra Girdharilal | 32,100 | 0.63 | 32,100 | 0.63 |
| 4 | Lincoln P Coelho | 32,000 | 0.63 | 32,000 | 0.63 |
| 5 | Sushil Soni | 10,697 | 0.21 | 22,479 | 0.44 |
| 6 | Dolly Khanna | 16,052 | 0.32 | 17,807 | 0.35 |
| 7 | Anita Gupta | 4,633 | 0.09 | 16,135 | 0.32 |
| 8 | J P Khetan | 500 | 0.01 | 11,070 | 0.22 |
| 9 | Kavita Gogia | 9,728 | 0.19 | 9,728 | 0.19 |
| 10 | Naresh Kumar Ghogar | 489 | 0.01 | 8,001 | 0.16 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | | 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 |
| | For Each of the Directors and KMP | | | | |
| 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 | Mrs. Shashi Khurana - 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 |

| | | | | | |
|---|---|-----|-------|-----|-------|
| 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 | 7,739 | 2,052 | Nil | 9,791 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 33 | Nil | Nil | 33 |
| Total (i+ii+iii) | 7,772 | 2,052 | Nil | 9,824 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | Nil | 382 | Nil | 382 |
| • Reduction | 70 | Nil | Nil | (70) |
| Net Change | (70) | 382 | Nil | 312 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 7,688 | 2,434 | Nil | 10,122 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | 14 | Nil | Nil | 14 |
| Total (i+ii+iii) | 7,702 | 2,434 | Nil | 10,136 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount 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 | 14.87 | 13.56 | 28.43 |
| | (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 | 0.37 | Nil | 0.37 |
| | Total (A) | 15.24 | 13.56 | 28.80 |
| | Ceiling as per the Act | | | 304.80 |

B. Remuneration to other directors: (Amount in ₹)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|-------------------|---------------------|--------------------------|----------------------|---------------|
| | | Mr. Sunil Kumar | Mrs. Shashi Khurana | Mr. Kuldeep Singh Bhalla | Mr. Sarab-jeet Singh | |
| 1. | Independent Directors | | | | | |
| | • Fees for attending board/ committee meetings | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| | • Commission | Nil | Nil | Nil | Nil | |
| | • Others, please specify | Nil | Nil | Nil | Nil | |
| | Total (1) | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| 2. | Other Non-Executive Directors | | | | | |
| | • Fees for attending board/ committee meetings | Nil | Nil | Nil | Nil | Nil |
| | • Commission | Nil | Nil | Nil | Nil | Nil |
| | • Others, please specify | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | Nil | Nil | Nil | Nil | Nil |
| | Total (B) = (1+2) | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| | Total Managerial Remuneration | | | | | 40,000 |
| | Overall Ceiling as per the Act | | | | | 27.71 Lakhs |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD: (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 | 9.81 | 5.24 | 15.05 |
| | (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 | 0.26 | Nil | 0.26 |
| | Total (A) | 10.07 | 5.24 | 15.31 |

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: 08th August, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31st March, 2023

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Talbro Engineering is engaged in manufacturing Rear Axle Shafts for leading automobile companies in India and foreign markets. The automobile sector experienced a significant growth of 21% in domestic sales in FY 2022-23. The passenger vehicle segment achieved its highest sales figure, showcasing an impressive annual growth rate of 27%. Commercial vehicles also witnessed substantial growth of 34% and according to various predictions, Indian Commercial vehicle industry is likely to continue the momentum in FY 2023-24. After the Covid, the Indian Automobile sector has seen a robust growth of 21%. The Tractor and Mechanization Association (TMA) sales report suggest that tractor sales have grown by 5% in FY 2022-23. The automobile sector also received cumulative equity FDI inflow of about US\$ 34.11 billion between April 2000- December 2022. The Government of India expects the automobile sector to attract US\$ 8-10 billion in local and foreign investments by 2023. In Financial year 2022-23, the Company's domestic sales showed a growth of around 47% and expects to continue this growth with a continued focus on exports.

(B) OPPORTUNITIES AND THREATS

The Company has world class manufacturing facilities located at Faridabad and Hathin in Haryana and is equipped with the latest in technology and a highly qualified engineering team. The Company has set up a new plant in Faridabad with upgraded technology. The Company is continuously striving on better and automated technology adoption for effective and efficient working and to walk out of the competition queue. The Company is working proactively with customers to diversify its existing product portfolio and enter into new market segments. The Company has successfully developed and started supplies of torsion bars, spindles, front axles, and camshafts. The company is also actively working on developing new business in Europe.

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

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

(D) OUTLOOK

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

(E) RISKS AND CONCERNS

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

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

Your Company has achieved a sales turnover of Rs. 44,417 Lakhs in this financial year ended on 31st March, 2023 as against Rs. 35,114 Lakhs in the previous financial year. Net profit after tax for this year stands at Rs. 2,795 Lakhs as against Rs. 2,216 Lakhs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31st March, 2023 is Rs. 6,133 Lakhs as compared to Rs. 8,311 Lakhs in the previous financial year.

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

As on March 31, 2023, the Company had 212 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 | 31st March, 2023 | 31st March, 2022 | Change in % |
|--------|-----------------------------|------------------|------------------|-------------|
| 1 | Debtors Turnover | 6.96 | 4.94 | 40.89% |
| 2 | Inventory Turnover | 7.05 | 7.28 | (3.16%) |
| 3 | Interest Coverage Ratio | 5.37 | 5.34 | 0.56% |
| 4 | Current Ratio | 2.69 | 2.47 | 8.91% |
| 5 | Debt Equity Ratio | 0.50 | 0.63 | (20.63%) |
| 6 | Operating Profit Margin (%) | 12.03% | 12.85% | (6.38%) |
| 7 | Net Profit Margin (%) | 8.39% | 8.30% | 1.08% |

There has been improvement in Debtors Turnover ratio on account of faster recovery of receivables.

(J) RETURN ON NET WORTH

The return on net worth for the current year ended on March 31, 2023 is 29.30 % as compared to 28.92% during the fiscal year ended on March 31, 2022.

For and on behalf of the Board**Sd/-****Vijay Kumar Sharma****Executive Director****DIN: 06394784****R/o H. No. 309, Sector 3,
Faridabad, Haryana****Sd/-****Sanjay Sharma****Executive Director****DIN: 06394774****R/o H. No. 1002, Sector 8
Faridabad, Haryana****Place: Faridabad****Date: 08th August, 2023**

CORPORATE GOVERNANCE

1. PHILOSOPHY:

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

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, 2023.

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

Further, the tenure of appointment of Mr. Sanjay Sharma as a Whole Time Director of the Company shall end on 31st October, 2023 and tenure of Mr. Sunil Kumar as an Independent Director shall end on 31st March, 2024. The Nomination and remuneration Committee and Board of Directors have recommended the appointment of Mr. Ankush Jindal as a Whole Time Director of the Company w.e.f. 01st November, 2023 and Mrs. Seema Sethi as an Independent Director w.e.f. 01st April, 2024, subject to the approval of shareholders in General Meeting.

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

2. BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their directorship as on March 31, 2023

| Sl. 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 | Mr. Kuldeep Singh Bhalla | Director (Non Executive and Independent) | Nil | Nil | 100 |
| 5 | Mr. Sarabjeet Singh | Director (Non Executive and Independent) | Nil | Nil | 774 |
| 6 | Mrs. Shashi Khurana | Director (Non Executive and Independent) | Nil | Nil | Nil |

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

| Sl. No. | Name of the Director | Board Meetings held during the year and attendance of Directors | | | | | | Attendance in Last AGM (22.08.2022) |
|---------|--------------------------|---|------------|------------|------------|------------|------------|--|
| | | 23.05.2022 | 20.06.2022 | 05.08.2022 | 09.11.2022 | 07.02.2023 | 29.03.2023 | |
| 1 | Mr. Sanjay Sharma | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Mr. Vijay Kumar Sharma | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Mr. Sunil Kumar | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Mr. Kuldeep Singh Bhalla | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Mr. Sarabjeet Singh | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Mrs. Shashi Khurana | Yes | Yes | 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.

Disclosure of relationships between Directors inter-se

All the Directors including Whole time Directors and Independent Directors of the Company act in their individual capacities and do not have any inter-se relationship among them. The Board periodically reviews the compliance report of all applicable laws to the Company.

Shareholding of Non-Executive Directors

Number of Equity Shares held by non-executive directors as on March 31, 2023 is give below:

| S. No. | Name of the Directors | No. of shares held |
|--------|--------------------------|--------------------|
| 1 | Mr. Kuldeep Singh Bhalla | 100 |
| 2 | Mr. Sarabjeet Singh | 774 |

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 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.

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

Further, the tenure of appointment of Mr. Sanjay Sharma as a Whole Time Director of the Company shall end on 31st October, 2023 and tenure of Mr. Sunil Kumar as an Independent Director shall end on 31st March, 2024. The Nomination and remuneration Committee and Board of Directors have recommended the appointment of Mr. Ankush Jindal as a Whole Time Director of the Company w.e.f. 01st November, 2023 and Mrs. Seema Sethi as an Independent Director w.e.f. 01st April, 2024, subject to the approval of shareholders in 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 2022-23 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 Mr. Sarabjeet Singh as on 31st March, 2023. Mrs. Seema Sethi has resigned from the office of Director and member of Committee w.e.f. 23rd May, 2022. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 6 (Six) times during the year ended 31st March, 2023. The attendance record of the members at the meeting were as follows:

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

| Sl. No. | Name of the Director | Designation in Committee | Meetings held during the year and attendance of Members | | | | | |
|---------|--------------------------|--------------------------|---|------------|------------|------------|------------|------------|
| | | | 23.05.2022 | 20.06.2022 | 05.08.2022 | 09.11.2022 | 07.02.2023 | 29.03.2023 |
| 1 | Mr. Kuldeep Singh Bhalla | Chairman | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Mr. Sarabjeet Singh | Member | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Mr. Sunil Kumar | Member | Yes | Yes | Yes | Yes | Yes | Yes |

Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23rd May, 2022. Mr. Sarabjeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23rd May, 2022.

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

The Audit Committee meetings are attended by the Chief Operating officer, President, Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditors of the Company. The Company Secretary of the Company acts as Secretary of the Audit Committee. The Chairman of the Audit Committee has marked his presence in the Annual General Meeting held on 22nd August, 2022.

(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 23rd May, 2022, 09th November, 2022 and 07th February, 2023 and all the members were present during the meeting. The present constitution of Committee is as follows:

| S. No. | Name of the Directors | Designation in Committee |
|--------|--------------------------|--------------------------|
| 1 | Mr. Kuldeep Singh Bhalla | Chairman |
| 2 | Mr. Sunil Kumar | Member |
| 3 | Mr. Sarabeet Singh | Member |

Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23rd May, 2022.

Mr. Sarabeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23rd May, 2022.

(c) Remuneration Policy:

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

Non Executive and Independent Director

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

The independent Directors shall be selected and appointed after considering the independence as

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

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

Managing Director / Whole Time Director

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

Remuneration to Directors

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

The Managing Director / Whole Time Director shall be entitled to receive the remuneration as mutually agreed between the members of the Board of Directors and Managing Director/ Whole time Director, subject to the approval of members of the Company in General Meeting. The remuneration to be paid shall be within the overall limits as prescribed under the Companies Act, 2013 and rules made there under. In case of change in remuneration beyond the limits approved by shareholders, a new approval from shareholders is required.

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

(d) Details of Remuneration paid during the year 31st March, 2023:

| S. No. | Name of the Director | Designation | Remuneration Paid (Amount in Rs. Lakhs) |
|--------|------------------------|--------------------|---|
| 1 | Mr. Sanjay Sharma | Executive Director | 14.87 |
| 2 | Mr. Vijay Kumar Sharma | Executive Director | 13.56 |

The Company has paid sitting fees of Rs. 10,000/- each to Mr. Sunil Kumar, Mrs. Shashi Khurana, 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:

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, 2023, the Stakeholders Relationship Committee met 4 times.

| S. No. | Name of the Director | Designation in Committee | Attendance of Members in Meetings held during the year |
|--------|--------------------------|--------------------------|--|
| 1 | Mr. Kuldeep Singh Bhalla | Chairman | 4 |
| 2 | Mr. Sarabjeet Singh | Member | 4 |
| 3 | Mr. Vijay Kumar Sharma | Member | 4 |

Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 23rd May, 2022. Mr. Sarabjeet Singh has been appointed as member of the Committee in place of Mrs. Seema Sethi w.e.f. 23rd May, 2022.

The details of Shareholders complaints received so far, resolved and pending during the Financial Year 2022-23 are as follows:

| Received | Resolved | Pending |
|----------|----------|---------|
| 9 | 9 | Nil |

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

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

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

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

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The Corporate Social Responsibility (CSR) Committee has been constituted pursuant to the provisions of

Section 135 of Companies Act, 2013 and rules made thereunder. The present composition of Committee is One Executive Director and Two Non Executive and Independent Directors. The Committee met 2 times during the financial year ended 31st March, 2023

| S. No. | Name of Member | Designation in Committee | Attendance of Members in Meetings held during the year | |
|--------|--------------------------|--------------------------|--|------------|
| | | | 23.05.2022 | 07.02.2023 |
| 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, 2023, the Independent Directors met on 07th February, 2023, inter alia to review and discuss:

- the performance of Non Independent Directors and the Board of Directors as a whole;
- 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 | 2021-22 | 22.08.2022 | 11:00 a.m. | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |
| 2 | 2020-21 | 28.09.2021 | 11:00 a.m. | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |
| 3 | 2019-20 | 28.09.2020 | 10:30 a.m. | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |

(b) Special Resolutions passed in past 3 Annual General Meetings:
(1) At Annual General Meeting held on 28th September, 2020

- 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
- 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

(2) No Special Resolution has been passed at Annual General meeting held on 28th September, 2021
(3) At Annual General Meeting held on 22nd August, 2022

- To increase the borrowing limits under section 180(1)(c) of Companies Act, 2013
- To increase the limits of providing security in connection with borrowings of the Company under section 180(1)(a) of Companies Act, 2013

(c) Postal Ballot:

During the year ended March 31, 2023, 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 2022-23 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, 2022, September 30, 2022 and December 31, 2022 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 37th Annual General Meeting of the Company will be held on Friday, 29th September, 2023 at 11:00 a.m. 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, 2023 | First week of August, 2023 |
| For 2 nd Quarter / half year ending 30 th September, 2023 | First week of November, 2023 |
| For 3 rd Quarter / nine months ending 31 st December, 2023 | First week of February, 2024 |
| For 4 th Quarter / Year ending 31 st March, 2024 | Last week of May, 2024 |
| Annual General Meeting for the year ending 31 st March, 2024 | Last week of September, 2024 |

(c) Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from Saturday, 23rd September, 2023 to Friday, 29th September, 2023 (both days inclusive) for annual closing.

(d) Dividend Payment Date

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

(e) Listing on Stock Exchanges

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

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

(f) Stock Code

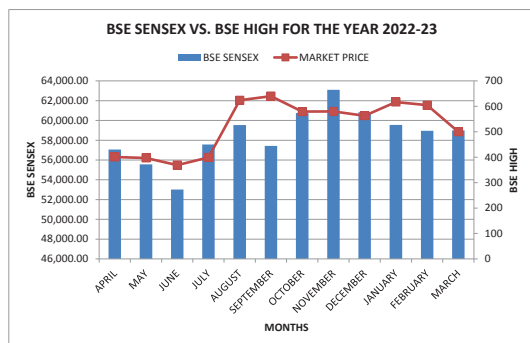
The Stock codes allotted to the Company are as follows:

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

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

The Company's equity shares are listed and are available for trading on BSE Limited. The month wise High/Low of Market Price of Company's equity shares traded on BSE Limited (BSE) during the year ended on 31st March, 2023 were as follows:

| Month(s) 2022-23 | Market Price (Rs.) | | BSE SENSEX |
|---------------------|--------------------|--------|------------|
| | High | Low | |
| April | 401.00 | 338.95 | 57,060.87 |
| May | 396.95 | 315.00 | 55,566.41 |
| June | 368.90 | 298.00 | 53,018.94 |
| July | 399.00 | 304.15 | 57,570.25 |
| August | 624.00 | 345.05 | 59,537.07 |
| September | 640.00 | 482.80 | 57,426.92 |
| October | 579.40 | 506.20 | 60,746.59 |
| November | 580.00 | 460.00 | 63,099.65 |
| December | 563.00 | 441.60 | 60,840.74 |
| January | 617.00 | 501.00 | 59,549.90 |
| February | 604.50 | 462.00 | 58,962.12 |
| March | 500.00 | 422.60 | 58,991.52 |



(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

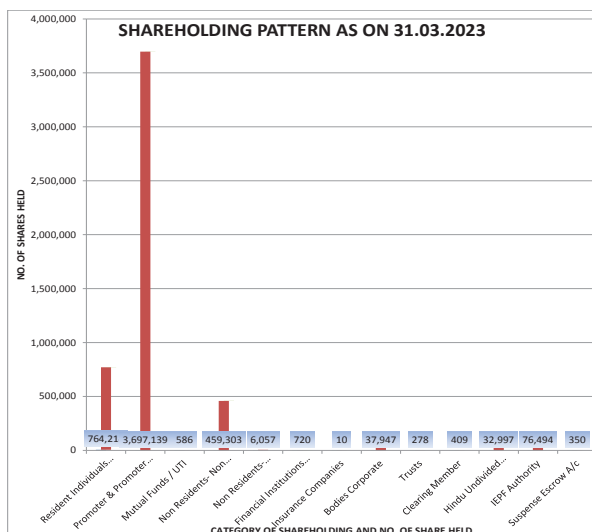
The transfer of shares are processed by the Share Transfer Agent and approved by the Stakeholders Relationship Committee which meets at frequent intervals. All physical share transfers are effected within 15 days of lodgement, subject to the documents being in order and complete in all respects. The 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 Share-holding | Number of shareholders | No. of shares held | % of share-holding |
|--------|---------------------------------|------------------------|--------------------|--------------------|
| 1 | Resident Individuals | 6,379 | 7,64,214 | 15.05 |
| 2 | Promoters | 8 | 36,97,139 | 72.83 |
| 3 | Mutual Funds / UTI | 1 | 586 | 0.01 |
| 4 | Non Residents – Non Repatriable | 47 | 4,59,303 | 9.05 |
| 5 | Non Residents - Repatriable | 53 | 6,057 | 0.12 |
| 6 | Financial Institutions / Banks | 3 | 720 | 0.01 |
| 7 | Insurance Companies | 1 | 10 | 0.00 |
| 8 | Bodies Corporate | 44 | 37,947 | 0.75 |
| 9 | Trusts | 1 | 278 | 0.00 |
| 10 | Clearing Member | 3 | 409 | 0.01 |
| 11 | Hindu Undivided Family | 109 | 32,997 | 0.65 |
| 12 | IEPF Authority | 1 | 76,494 | 1.51 |
| 13 | Suspense Escrow A/c | 1 | 350 | 0.01 |
| | TOTAL | 6,651 | 50,76,504 | 100.00 |


(k) Dematerialization of shares and liquidity

As on 31st March, 2023, 98.26% 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 | 1,179 | 88,190 | 1.74 |
| NSDL | 2,670 | 42,30,328 | 83.33 |
| CDSL | 2,968 | 7,57,986 | 14.93 |
| Total | 6,817 | 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 A- (Stable Outlook) for Long Term Bank Facilities (Term Loans) of Rs. 24.43 Crores and rating of A-/A2+ (Stable Outlook) for Short Term Bank Facilities (Fund Based Limits) of Rs. 40.00 Crores availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

(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:

- Plot No. 35,36,37,38 & 57, Industrial Area, Hathin, Distt. Palwal, Haryana
- Plot No. 26, Industrial Area, Hathin, Distt. Palwal, Haryana
- Plot No. 77, Sector 68, IMT, Faridabad, Haryana
- Plot No. 80, Sector 68, IMT, Faridabad, Haryana
- Plot No. 3, Sector 5, Faridabad, Haryana
- Plot No. 2 & 3, 20/4, Mathura Road, Nepco Compound, Faridabad, Haryana
- Plot No. 27, Sector 4, Faridabad, Haryana
- Plot No. 79, Sector 6, Faridabad, Haryana

| Size of Holdings | No. of Share holders | Percentage (%) to Total | No. of shares held | Percentage (%) to Total |
|------------------|----------------------|-------------------------|--------------------|-------------------------|
| Upto 5000 | 6,598 | 96.78 | 4,20,678 | 8.29 |
| 5001 to 10000 | 105 | 1.54 | 78,919 | 1.55 |
| 10001 to 20000 | 60 | 0.88 | 83,152 | 1.64 |
| 20001 to 30000 | 16 | 0.23 | 38,637 | 0.76 |
| 30001 to 40000 | 11 | 0.16 | 39,612 | 0.78 |
| 40001 to 50000 | 3 | 0.04 | 12,773 | 0.25 |
| 50001 to 100000 | 9 | 0.13 | 59,616 | 1.17 |
| 100001 and Above | 15 | 0.22 | 43,43,117 | 85.55 |
| TOTAL | 6,817 | 100.00 | 50,76,504 | 100.00 |

(c) On the basis of ownership

| S. No. | Category of Shareholder | Number of Share-holders | Total number of shares | % of holding |
|--------------------------------|--|-------------------------|------------------------|---------------|
| (A) Promoters | | | | |
| 1. | Indian Individuals | | | |
| (a) | Promoters | 8 | 36,97,139 | 72.83 |
| (B) Public Shareholding | | | | |
| 1. | Institutions | | | |
| (a) | Mutual Funds/ UTI | 1 | 586 | 0.01 |
| (b) | Financial Institutions / Banks | 3 | 720 | 0.01 |
| (c) | Insurance Companies | 1 | 10 | 0.00 |
| 2. | Non-institutions | | | |
| (a) | Bodies Corporate | 44 | 37,947 | 0.75 |
| (b) | Individuals | 6,542 | 7,64,214 | 15.05 |
| (c) | Trusts | 1 | 278 | 0.00 |
| (d) | Clearing Member | 4 | 409 | 0.01 |
| (e) | Non Resident Indians - Non Repatriable | 48 | 4,59,303 | 9.05 |
| (f) | Non Resident Indians - Repatriable | 53 | 6,057 | 0.12 |
| (g) | Hindu Undivided Family | 110 | 32,997 | 0.65 |
| (h) | IEPF Authority | 1 | 76,494 | 1.51 |
| (i) | Suspense Escrow A/c | 1 | 350 | 0.01 |
| | TOTAL | 6,817 | 50,76,504 | 100.00 |

(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/policies.
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. Further, it has been affirmed that no personnel has been denied access to the audit committee.
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 Rs. 9.00 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, 2023. 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 fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
11. 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.
12. In accordance with the provisions of Regulation 26(6) of the SEBI (LODR) Regulations, the Key Managerial Personnel, the Director(s) and the Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation of profit sharing in connection with dealings in the securities of the Company.
13. The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons under SEBI (Prohibition of Insider Trading) Regulations, 2015. The said code/ policy has been uploaded on the website of the Company at www.talbrosaxles.com. The Audit Committee and Board of Directors review the cases of non-compliance, if any, under SEBI (Prohibition of Insider Trading) Regulations, 2015 from time to time.
14. There is no non compliance of any of the requirements of Corporate Governance Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
15. There is no application or proceeding pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the year.
16. There is no difference between the amounts of the valuation executed at the time of one time settlement and the valuation done while taking loan from Bank or Financial Institution.
17. There was no instance of non-compliance by the Company on any matters relating to capital markets; nor was there any penalty/ strictures imposed by the Stock Exchange or SEBI or any other statutory authority on such matters during the last three years.
18. **Confirmation regarding Independent Directors:** Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla, Mr.

Sarabjeet Singh and Mrs. Shashi Khurana 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.

19. There is no material subsidiary of the Company
20. The related party transactions policy of the Company has been uploaded on website of the Company. The web link of the policy is www.talbrosexles.com/policies/
21. The Company has not carried any commodity hedging activities during the year under review.
22. There was no instance of non-acceptance by Board for any recommendation made by the Committee of the Board which is mandatorily required.
23. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. Number of complaints filed during the financial year: NIL

- b. Number of complaints disposed of during the financial year: NIL
 - c. Number of complaints pending as on end of the financial year: NIL
24. The Company has not advanced any loan to any firm/ companies in which the directors are interested.

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, 2023.

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: 08th August, 2023

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, 2023 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: 08th August, 2023

INDEPENDENT AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members
Talbros Engineering Limited

1. We, Rakesh Raj & Associates, 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, 2023 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 Rakesh Raj & Associates
Chartered Accountants
FRN: 005145N

Sd/-

(ABHISHEK KUMAR)
PARTNER
M. NO: 519429

Place: Faridabad
Date: 08th August, 2023
UDIN: 23519429BGWDEC6480

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, 2023 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: 08th August, 2023
UDIN: A031025E000762954
Peer Review Certificate No. 1126/2021

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: 08th August, 2023

Sd/-
Sanjay Sharma
Executive Director
DIN: 06394774

INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying Ind AS Financial Statements of **TALBROS ENGINEERING LIMITED** ("the Company"), which comprises the Balance Sheet as at **March 31, 2023**, the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribe under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In the audit of the current period, we have not have observed any key audit matters required to be reported separately.

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

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

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

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

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

Management and Board of Director's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2015, as amended.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, the management and the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the AS specified under Section 133 of the Act.

- e) On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, as amended in our opinion and to the best of our information and according to the explanation given to us
- i) The Company does not have any pending litigation which would impact its Financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses under the applicable law or accounting standards.
 - iii) There has been no delay in transferring amounts if applicable, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 38b to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 38b to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013. As stated in notes to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail facility is applicable to the Company w.e.f. 01.04.2023 and accordingly reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for financial year ended on March 31st 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Rakesh Raj & Associates
Chartered Accountants
FRN: 005145N

Place: Faridabad
Date: 19th May 2023
UDIN: 23083352BHALJI9233

Sd/-
R.K. AGARWAL
(PARTNER)
M.NO: 83352

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **TALBROS ENGINEERING LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 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 Rakesh Raj & Associates
Chartered Accountants
FRN: 005145N

Place: Faridabad
Date: 19th May 2023
UDIN: 23083352BHALJI9233

Sd/-
R.K. AGARWAL
(PARTNER)
M.NO: 83352

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT:

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TALBROS ENGINEERING LIMITED of even date). We report that:

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

Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans and advances in the nature of loans during the year to other parties, details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.
- (B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has granted advances in the nature of Employee loans to its employees.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it.
- (vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Custom Duty, Excise Duty and Cess and any other material statutory dues applicable to it. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31st March 2023 for a period of more than six months from the date they become payable other than ESI payable on Contractor Rs. 24.33 Lakhs.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints were received by the Company during the year requiring consideration from auditors
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) In our opinion and according to the information and

explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our

knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project.

(xxi) The Company does not prepare consolidated Financial Statements.

For Rakesh Raj & Associates
Chartered Accountants
FRN: 005145N

Place: Faridabad
Date: 19th May 2023
UDIN: 23083352BHALJI9233

Sd/-
R.K. AGARWAL
(PARTNER)
M.NO: 83352

BALANCE SHEET AS AT 31st MARCH, 2023

(All Amount in Rs. Lakhs unless otherwise stated)

| ASSETS | Notes | As at 31st March 2023 | As at 31st March 2022 |
|---|-------|--------------------------|--------------------------|
| Non-Current Assets | | | |
| Property plant and equipments | 4.1 | 10,949.52 | 8,596.42 |
| Intangible Assets | 4.2 | 27.03 | 21.20 |
| Capital Work in Progress | 4.3 | 2,154.42 | 938.21 |
| Financial Assets | | | |
| Non Current Investments | 5 | 8.60 | 8.60 |
| Trade receivables | 6 | 0.62 | 0.62 |
| Other Financial Assets | 7 | 407.15 | 359.29 |
| Other non-current assets | 8 | 367.32 | 1,754.12 |
| Current Assets | | | |
| Inventories | 9 | 6,297.01 | 4,822.78 |
| Financial Assets | | | |
| Trade Receivables | 10 | 6,383.28 | 7,104.10 |
| Cash and Cash Equivalents | 11 | 11.55 | 4.25 |
| Other Bank Balances | 12 | 7.59 | 9.49 |
| Loans | 13 | 6.78 | 4.10 |
| Assets for Current Tax (net) | 14 | 60.40 | - |
| Other Current Assets | 15 | 808.10 | 1,023.39 |
| TOTAL | | 27,489.36 | 24,646.58 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 16 | 507.65 | 507.65 |
| Other Equity | 17 | 11,443.06 | 8,752.24 |
| Non-Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18 | 4,979.23 | 4,843.26 |
| Provisions | 19 | 61.72 | 46.39 |
| Deferred Tax Liabilities (Net) | 20 | 302.12 | 298.94 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 21 | 5,142.43 | 4,947.54 |
| Trade Payables | 22 | 3,291.53 | 3,440.79 |
| Other financial liabilities | 23 | 1,214.11 | 1,219.52 |
| Other Current Liabilities | 24 | 514.72 | 523.81 |
| Provisions | 25 | 32.80 | 30.39 |
| Liabilities for current tax(net) | 14 | - | 36.04 |
| TOTAL | | 27,489.36 | 24,646.58 |
| 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 RAKESH RAJ & ASSOCIATES
 Chartered Accountants
 FRN: 005145N

Sd/-
(Raj K. Agarwal)
 Partner
 Membership No. 083352

Place: Faridabad
 Date: 19th May 2023
UDIN: 23083352BHALJI9233

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

For and on behalf of the Board of Directors of
TALBROS ENGINEERING LIMITED
Sd/-
Sanjay Sharma
 Executive Director
 DIN: 06394774
 H. No. 1002 Sector 8, Faridabad
Sd/-
Kanwar Pal Pawar
 Chief Financial Officer
 R/o MCF-57, Shyam Colony,
 Tigaon Road, Ballabgarh

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2023
(All Amount in Rs. Lakhs unless otherwise stated)

| | Notes | Year Ended 31st March, 2023 | Year Ended 31st March, 2022 |
|---|-------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue From Operations (Gross) | 26 | 44,416.80 | 35,114.18 |
| Other Income | 27 | 257.81 | 109.81 |
| Total Income | | 44,674.60 | 35,223.99 |
| EXPENSES | | | |
| Cost of Raw Material Consumed | 28 | 23,166.48 | 17,849.32 |
| Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade | 29 | (272.31) | (1,172.61) |
| Employee Benefits Expenses | 30 | 2,889.90 | 2,383.62 |
| Finance Costs | 31 | 931.79 | 845.24 |
| Depreciation and Amortization Expense | 32 | 920.19 | 853.40 |
| Other Expenses | 33 | 13,289.06 | 11,542.82 |
| Total Expenses | | 40,925.11 | 32,301.80 |
| Profit before Exceptional Items and Tax | | 3,749.50 | 2,922.20 |
| Exceptional Items | | - | - |
| Profit before Tax | | 3,749.50 | 2,922.20 |
| Current Tax | | 950.00 | 750.00 |
| Deferred Tax | | 3.18 | (41.46) |
| Taxes For Earlier Years | | 3.67 | 3.79 |
| Profit after Exceptional Items and Tax | | 2,792.64 | 2,209.87 |
| Other Comprehensive Income | | | |
| i) Items that will not be classified to profit or loss | | 2.19 | 5.73 |
| Remeasurement of Defined Benefit Plans | | | |
| ii) Items that will be classified to profit or loss | | - | - |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | | | |
| Other Comprehensive Income for the year, net of Taxes | | 2.19 | 5.73 |
| Total Other comprehensive income | | 2,794.83 | 2,215.60 |
| Earnings per Equity Share (Face Value of ₹10/-) | | | |
| Basic and Diluted Restated Earnings Per Share | | 55.05 | 43.64 |
| 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 RAKESH RAJ & ASSOCIATES
Chartered Accountants
FRN: 005145N

Sd/-
(Raj K. Agarwal)
Partner
Membership No. 083352

Place: Faridabad
Date: 19th May 2023
UDIN: 23083352BHALJI9233

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
R/o MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED ON 31ST MARCH, 2023
(All Amount in Rs. Lakhs unless otherwise stated)

| PARTICULARS | 31st March 2023 | 31st March 2022 |
|--|------------------------|------------------------|
| Net Profit before taxation, and exceptional item | 3,749.50 | 2,922.20 |
| Adjustment for: | | |
| Depreciation | 920.19 | 853.40 |
| Preliminary Expenses W/off | - | - |
| Interest Paid | 931.79 | 845.24 |
| Loss/(Profit) on Sale of Fixed Assets | (3.97) | (4.50) |
| Interest Received | (5.81) | - |
| Exceptional Items | - | - |
| Operating Profit before Working Capital Changes | 5,591.69 | 4,616.34 |
| Adjustments for:- | | |
| Trade and Other Receivables | 720.82 | (3,054.94) |
| Inventories | (1,474.23) | (826.18) |
| Other Current Assets | (83.83) | (180.55) |
| Trade Payables | (149.26) | 744.82 |
| Other Current Liabilities | (570.88) | 470.77 |
| CASH GENERATED FROM OPERATIONS: | 4,034.33 | 1,770.24 |
| Interest paid | (931.79) | (845.24) |
| NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A) | 3,102.54 | 925.00 |
| Interest Received | 5.81 | - |
| Purchase of Fixed Assets | (4,503.95) | (1,872.71) |
| Sale of Fixed Assets | 12.30 | 8.19 |
| Dividend Received | - | - |
| NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B) | (4,485.84) | (1,864.52) |
| Proceeds from /(Repayment) of long Term Borrowings | 151.29 | 2,128.17 |
| Proceeds from Share Capital | - | - |
| Proceeds from Security Premium | - | - |
| Dividend paid | (101.53) | (76.15) |
| Dividend Distribution Tax Paid | - | - |
| Proceeds from /(Repayment) of long Term Loans & Advances | 1,338.94 | (1,483.34) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | 1,388.70 | 568.68 |
| INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C) | 5.40 | (370.84) |
| Cash/Cash Equivalents as at 1st April (Opening Balance) | 13.74 | 384.58 |
| Cash/Cash Equivalents as at 31st March (Closing Balance) | 19.14 | 13.74 |

As per our report of even date
For RAKESH RAJ & ASSOCIATES
Chartered Accountants
FRN: 005145N

Sd/-
(Raj K. Agarwal)
Partner
Membership No. 083352

Place: Faridabad
Date: 19th May 2023

UDIN: 23083352BHALJI9233

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

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

Sd/-
Sanjay Sharma
Executive Director
DIN: 06394774
H. No. 1002 Sector 8, Faridabad
Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

Notes to the Ind AS financial statements for the year ended March 31, 2023**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 19.05.2023

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.
- d) When a revalued asset is depreciated, difference between depreciation charged on the revalued amount and the depreciation that would have been charged on the assets' original cost is transferred from Revaluation Surplus Reserve.

3.2.4 Intangible assets

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

3.2.5 Borrowing Costs

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

3.2.6 Cash and cash equivalents

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

3.2.7 Impairment of Non-financial assets

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

3.2.8 Inventories

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

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

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

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the Financial statements.

3.2.10 Taxation

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are applicable at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside

profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

3.2.11 Employee benefit schemes

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

a) Gratuity

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

b) Leave encashment

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

3.2.12 Foreign currency transactions

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

3.2.13 Earnings per share

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

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

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

3.2.14 Cash Flow Statement

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

3.2.15 Segment Reporting

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

3.2.16 Research and development

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

3.2.17 Leases

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

3.2.18 Use of Estimates

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

3.2.19 Share Issue Expenses

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

3.2.20 Derivative Financial Instruments

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

3.2.21 Hedge Accounting

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

4 PROPERTY PLANT AND EQUIPMENTS

4.1 Tangible assets

| | |
|------------------|-----------------|
| 10,949.52 | 8,596.42 |
| <u>10,949.52</u> | <u>8,596.42</u> |

4.2 Intangible assets

| | |
|--------------|--------------|
| 27.03 | 21.20 |
| <u>27.03</u> | <u>21.20</u> |

4.3 Capital work in progress

| | |
|-----------------|---------------|
| 2,154.42 | 938.21 |
| <u>2,154.42</u> | <u>938.21</u> |

4.1 PROPERTY PLANT AND EQUIPMENT

| NAME OF ASSETS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|------------------------------|-------------|--------------------------|-------------------------------|--------------|-----------|-------------------------|------------------------------|------------|-----------|-----------|
| | As at | Addition during the Year | Sale/ adjust. during the Year | As at | Upto | For the Period ended on | Adjust-ments during the year | Total upto | As at | As at |
| | 1/4/2022 | | | 31/3/2023 | 31/3/2022 | 31/3/2023 | 31/3/2023 | 31/3/2023 | 31/3/2023 | 31/3/2022 |
| LAND | 1,741.88 | 1,813.60 | - | 3,555.48 | - | - | - | - | 3,555.48 | 1,741.88 |
| BUILDING | 2,250.91 | - | - | 2,250.91 | 309.80 | 70.89 | - | 380.69 | 1,870.22 | 1,941.11 |
| PLANT & MACHINERY | 10,174.09 | 1,169.67 | - | 11,343.76 | 5,750.46 | 743.69 | - | 6,494.15 | 4,849.61 | 4,423.63 |
| VEHICLES | 411.19 | 121.69 | 53.97 | 478.91 | 166.13 | 53.57 | 45.64 | 174.05 | 304.85 | 245.06 |
| FURNITURE & FIXTURES | 60.34 | 17.05 | - | 77.39 | 48.06 | 5.09 | - | 53.15 | 24.24 | 12.28 |
| OFFICE EQUIPMENT | 124.28 | 43.70 | - | 167.98 | 97.38 | 8.58 | - | 105.95 | 62.03 | 26.90 |
| ELECTRIC INSTALLATION | 322.80 | 97.37 | - | 420.17 | 128.46 | 28.77 | - | 157.24 | 262.93 | 194.34 |
| COMPUTER | 73.84 | 15.08 | - | 88.93 | 62.62 | 6.16 | - | 68.77 | 20.15 | 11.22 |
| CURRENT YEAR | 15,159.33 | 3,278.16 | 53.97 | 18,383.53 | 6,562.91 | 916.74 | 45.64 | 7,434.01 | 10,949.52 | 8,596.42 |
| PREVIOUS YEAR | 13,220.89 | 1,971.50 | 33.05 | 15,159.33 | 5,742.16 | 850.12 | 29.37 | 6,562.91 | 8,596.42 | 7,478.72 |
| | | | | | | | | | | |
| 4.2 INTANGIBLE ASSETS | 37.95 | 9.57 | - | 47.53 | 16.75 | 3.75 | - | 20.50 | 27.03 | 21.20 |
| | | | | | | | | | | |
| CURRENT YEAR | 37.95 | 9.57 | - | 47.53 | 16.75 | 3.75 | - | 20.50 | 27.03 | 21.20 |
| PREVIOUS YEAR | 37.16 | 0.79 | - | 37.95 | 13.17 | 3.59 | - | 16.75 | 21.20 | 24.00 |
| | | | | | | | | | | |
| 4.3 CAPITAL WORK IN PROGRESS | | | | | | | | | | |
| CWIP - BUILDING | 589.52 | 1,140.36 | 128.55 | 1,601.33 | - | - | - | - | 1,601.33 | 589.52 |
| CWIP - PLANT & MACHINERY | 348.69 | 1,300.10 | 1,095.70 | 553.09 | - | - | - | - | 553.09 | 348.69 |
| CURRENT YEAR | 938.21 | 2,440.46 | 1,224.25 | 2,154.42 | - | - | - | - | 2,154.42 | 938.21 |
| PREVIOUS YEAR | 1,037.79 | 1,786.82 | 1,886.39 | 938.21 | - | - | - | - | 938.21 | 1,037.79 |
| TOTAL CURRENT YR | 16,135.50 | 5,728.20 | 1,278.22 | 20,585.47 | 6,579.67 | 920.49 | 45.64 | 7,454.51 | 13,130.97 | 9,555.83 |
| PREVIOUS YEAR | 14,295.84 | 3,759.11 | 1,919.45 | 16,135.50 | 5,755.33 | 853.70 | 29.37 | 6,579.67 | 9,555.83 | 8,540.51 |

| | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| 5 NON-CURRENT INVESTMENTS | | |
| Unquoted Non Trade Equity Instruments (At Cost) | | |
| Investments in equity instruments | 8.60 | 8.60 |
| Talbro Sealing Materials Pvt. Ltd. (33000 fully paid up Equity Shares of ₹10/- Each) | | |
| | <u>8.60</u> | <u>8.60</u> |
| 6 TRADE RECEIVABLES | | |
| Unsecured, Considered Good | | |
| Less than 6 months | - | 0.62 |
| 6 months to 1 year | - | - |
| More than 1 Year | 0.62 | - |
| Total trade receivables | <u>0.62</u> | <u>0.62</u> |
| 7 OTHER FINANCIAL ASSETS | | |
| Security Deposits | 407.15 | 359.29 |
| | <u>407.15</u> | <u>359.29</u> |
| 8 OTHER NON CURRENT ASSETS | | |
| Capital Advances | 367.32 | 1,754.12 |
| | <u>367.32</u> | <u>1,754.12</u> |
| 9 INVENTORIES | | |
| (Taken, Valued and Certified by the Management) | | |
| Raw Materials | 2,688.61 | 1,637.03 |
| Work-in-Progress | 3,124.57 | 2,893.95 |
| Finished Goods | | |
| Stores, Spares and Loose Tools | 295.59 | 151.90 |
| Scrap | 132.69 | 90.99 |
| Others(Packing Materials) | 55.55 | 48.91 |
| | <u>6,297.01</u> | <u>4,822.78</u> |
| 10 TRADE RECEIVABLES | | |
| Unsecured, Considered Good | | |
| Less Than 6 months | 6,383.28 | 7,104.10 |
| 6 months to 1 year | - | - |
| 1-2 years | - | - |
| | <u>6,383.28</u> | <u>7,104.10</u> |
| 11 CASH AND CASH EQUIVALENTS | | |
| Cash in hand | 1.20 | 2.00 |
| Balances with banks in current Accounts | 1.86 | 1.76 |
| Fixed Deposit with Bank (Current Maturity) | 8.49 | 0.49 |
| | <u>11.55</u> | <u>4.25</u> |

| | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| 12 OTHER BANK BALANCES | | |
| In dividend accounts | 7.59 | 9.49 |
| Margin Money | - | - |
| | <u>7.59</u> | <u>9.49</u> |
| 13 LOANS | | |
| Unsecured, Considered Good | | |
| Loans to Employees | 6.78 | 4.10 |
| | <u>6.78</u> | <u>4.10</u> |
| 14 ASSETS FOR CURRENT TAX (Net) | | |
| Advance Income Tax | 1,010.40 | 713.96 |
| Provision for Income Tax | 950.00 | 750.00 |
| | <u>60.40</u> | <u>(36.04)</u> |
| 15 OTHER CURRENT ASSETS | | |
| Unsecured, Considered Good | | |
| Prepaid Expenses | 22.58 | 11.77 |
| Advance to Suppliers | 659.85 | 843.46 |
| Other Advances | 24.27 | 23.35 |
| Balances with Statutory/ Govt. Authorities: - | | |
| Excise Duty Balance | 50.43 | 50.43 |
| Income Tax Advance | 13.73 | 43.63 |
| Sales Tax Advance | 14.59 | 14.59 |
| Duty Drawback Receivable | 22.65 | 36.16 |
| | <u>808.10</u> | <u>1,023.39</u> |
| 16 EQUITY SHARE CAPITAL | | |
| 16.1 AUTHORISED SHARE CAPITAL | | |
| 51,00,000 (P.Y. 51,00,000) Equity Shares of Rs. 10/- each | <u>510.00</u> | <u>510.00</u> |
| 16.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 50,76,504 (P.Y. 50,76,504) Equity Shares of Rs. 10/- each Fully Paid up | <u>507.65</u> | <u>507.65</u> |
| 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 |
| Changes due to Prior Period Errors | - | - |
| Restated Balance at the beginning of Current year | 5,076,504 | 5,076,504 |
| Changes during the Current Year | - | - |
| 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 2022, the amount of dividend per share distributed to equity holders was INR ₹2.00/- per share. For the Financial year ended on 31st March 2023, the directors have proposed a dividend to Equity Shareholders at 20%, being ₹2.00/- per share.

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

| | As at 31st March 2023 | | As at 31st March 2022 | |
|----------------------|-----------------------|--------|-----------------------|--------|
| | No of Shares | %age | No of Shares | %age |
| Rajesh Talwar | 1010498 | 19.91% | 1010498 | 19.91% |
| Gita Talwar | 1011754 | 19.93% | 1011754 | 19.93% |
| Rakesh Talwar | 283986 | 5.59% | 592634 | 11.67% |
| Naini Talwar | 294660 | 5.80% | 294660 | 5.80% |
| Sartaj K Sahni | 451004 | 8.88% | 451004 | 8.88% |
| Rakesh Talwar (HUF) | 2414 | 0.05% | 272414 | 5.37% |
| Shweta Talwar | 368424 | 7.26% | 368424 | 7.26% |
| Karan Talwar | 394845 | 7.78% | 105048 | 2.07% |
| Kartik Talwar | 330558 | 6.51% | 41234 | 0.81% |

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

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

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

16.6(b) Shares held by Promoters at the End of Previous year

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

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| 17 OTHER EQUITY | | |
| 17.1 CAPITAL RESERVE | 174.87 | 174.87 |
| 17.2 SECURITIES PREMIUM ACCOUNT | 179.37 | 179.37 |
| 17.3 REVALUATION RESERVE | 7.61 | 7.91 |
| 17.4 GENERAL RESERVE | 307.25 | 307.25 |
| 17.5 OTHER RESERVES | 76.30 | 76.30 |
| 17.6 RETAINED EARNINGS | 10,697.65 | 8,006.54 |
| | 11,443.06 | 8,752.24 |
| 17.1 CAPITAL RESERVE | | |
| As per last balance sheet | 174.87 | 174.87 |
| Add/ less: adjustment during the year | - | - |
| Closing balance | 174.87 | 174.87 |
| 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 | - | - |
| Closing balance | 179.37 | 179.37 |
| 17.3 REVALUATION RESERVE | | |
| Revaluation Reserve | 7.91 | 8.21 |
| Less: Transferred to Profit & Loss A/c | (0.30) | (0.30) |
| Closing balance | 7.61 | 7.91 |
| 17.4 GENERAL RESERVE | | |
| As per last balance sheet | 307.25 | 307.25 |
| Add/ less: adjustment during the year | - | - |
| Closing balance | 307.25 | 307.25 |
| 17.5 OTHER RESERVES | | |
| Capital Subsidy | | |
| As per last balance sheet | 76.30 | 76.30 |
| Add/less: adjustment during the year | - | - |
| Closing balance | 76.30 | 76.30 |
| Cash Flow Hedge Reserve | | |
| As per last balance sheet | - | - |
| Other Comprehensive Income (Net of Taxes) | - | - |
| Closing balance | - | - |
| Total Other Reserves | 76.30 | 76.30 |

| | As at 31st March 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| 17.6 RETAINED EARNINGS | | |
| As per last balance sheet | 8,006.54 | 5,872.82 |
| Profit for the year | 2,792.64 | 2,209.87 |
| Add: Transfer from Other Comprehensive Income | (2.19) | (5.73) |
| Less: Transfer to General reserve | - | - |
| Dividend on equity shares | 101.53 | 76.15 |
| Dividend distribution tax on dividend | - | - |
| Closing balance | 10,695.46 | 8,000.81 |
| OTHER COMPREHENSIVE INCOME | | |
| Remeasurement of Defined Benefit Obligation (net) | 2.19 | 5.73 |
| Cash Flow Hedge reserves | - | - |
| Transfer to retained earnings | 2.19 | 5.73 |
| | 10,697.65 | 8,006.54 |
| 18 LONG TERM BORROWINGS | | |
| SECURED BORROWINGS | | |
| Term loans | - | - |
| From banks | 2,545.26 | 2,791.42 |
| From others | - | - |
| Total secured long term borrowings (I) | 2,545.26 | 2,791.42 |
| UNSECURED BORROWINGS | | |
| Loans and advances from related parties | 2,433.97 | 2,051.84 |
| From others | - | - |
| Total unsecured long term borrowings (II) | 2,433.97 | 2,051.84 |
| Total Long Term Borrowings (I+II) | 4,979.23 | 4,843.26 |

18.1 Requisite particulars in respect of secured long term borrowings are as under:

| | Particulars of loan /security | Terms of Repayment | Balance | As at 31st March 2023 | As at 31st March 2022 |
|--|--|--|----------------------|-----------------------|-----------------------|
| | TERM LOANS FROM HDFC BANK | | | | |
| | Secured by exclusive charge on Plot No. 77 and Plot No 80, Sector-68, Faridabad. Further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is Repo Rate with agreed Spread | Equated monthly Installments beginning from the month of disbursement. | Closing Balance | 1,616.21 | 2,086.13 |
| | | | Current Maturity | 343.77 | 318.55 |
| | | | Non-Current Maturity | 1,272.44 | 1,767.58 |
| | TERM LOANS FROM YES BANK | | | | |
| | Secured by exclusive charge on Plot No. 76, Sector-6, Faridabad. Further secured by 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 Repo Rate with Agreed Spread | Equated monthly Installments beginning from the month of disbursement. | Closing Balance | 1,788.46 | 1,325.36 |
| | | | Current Maturity | 628.63 | 536.90 |
| | | | Non-Current Maturity | 1,159.83 | 788.46 |

| | Particulars of loan /security | Terms of Repayment | Balance | As at 31st March 2023 | As at 31st March 2022 |
|--|--|---|----------------------|-----------------------|-----------------------|
| | WORKING CAPITAL TERM LOAN FROM HSBC BANK | | | | |
| | 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 tenure | Monthly payment of equated 48 Monthly Installments after 12 month Moratorium from the date of taking the loan | Closing Balance | - | 195.83 |
| | | | Current Maturity | - | 50.00 |
| | | | Non-Current Maturity | - | 145.83 |
| | VEHICLE LOANS FROM BANKS | | | | |
| | Secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.5 p.a to 8.8 p.a. | Equated monthly Installments beginning from the month of disbursement. | Closing Balance | 182.05 | 142.38 |
| | | | Current Maturity | 69.06 | 52.84 |
| | | | Non-Current Maturity | 112.99 | 89.54 |

| | | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|-----------------------|-----------------------|
| 19 | LONG TERM PROVISION | | |
| | Annual Leave Payable | 61.72 | 46.39 |
| | Total Long Term Provision | 61.72 | 46.39 |
| 20 | DEFERRED TAX LIABILITIES | | |
| | Fixed Assets | 302.12 | 298.94 |
| | Deferred Tax Liability (Net) | 302.12 | 298.94 |
| 21 | SHORT TERM BORROWINGS, SECURED | | |
| a) | Working Capital Loans From Banks* | | |
| | HDFC Bank Ltd | 435.23 | 558.66 |
| | Yes Bank Ltd | 1,724.88 | 1,208.34 |
| | DBS Bank Ltd | 897.79 | 1,179.98 |
| | HSBC Bank Ltd | 1,043.06 | 1,042.28 |
| | Short Term Borrowings from Others | - | - |
| b) | Current Maturities of Long Term Debt | 1,041.46 | 958.29 |
| | Total Short Term Borrowings | 5,142.43 | 4,947.54 |

* 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 *

| | | |
|-------------------|--------------|-------|
| Less than 1 year | 69.87 | 70.49 |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| Dues of other than MSME | | |
| Less than 1 year | 3,221.66 | 3,370.30 |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total Trade Payables | 3,291.53 | 3,440.79 |
| *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 | | |
| Interest accrued and due on Borrowings | - | - |
| Interest accrued but not due on borrowings | 14.37 | 33.20 |
| Unpaid Dividends | 7.59 | 9.49 |
| Creditors for Expenses | 782.24 | 710.52 |
| Creditors for Capital Expenditure | 115.31 | 56.57 |
| Other Liabilities:- | | |
| Accrued Salary & Benefits | 82.21 | 69.91 |
| Security Job Contractors | 31.81 | 31.41 |
| Other payables | 180.58 | 308.43 |
| | 1,214 | 1,220 |
| 24 OTHER CURRENT LIABILITIES | | |
| Advance from Customers | 20.21 | 26.21 |
| Statutory Dues payable | 35.92 | 32.95 |
| GST payable | 333.52 | 371.40 |
| TDS payable | 125.07 | 93.25 |
| | 514.72 | 523.81 |
| 25 PROVISIONS | | |
| Provision for Employee Benefits | 32.80 | 30.39 |
| | 32.80 | 30.39 |
| 26 REVENUE FROM OPERATIONS | | |
| SALE OF PRODUCTS | | |
| Domestic Sales | 36,232.96 | 24,702.48 |
| Export Sales | 6,459.74 | 8,813.22 |
| | 42,692.70 | 33,515.71 |
| OTHER OPERATING REVENUES | | |
| Other operating revenues | 1,724.10 | 1,598.48 |
| Total Revenue From Operations | 44,416.80 | 35,114.18 |
| 27 OTHER INCOME | | |
| Interest Income | 5.81 | - |
| Foreign Exchange Fluctuation | 252.00 | 109.81 |
| Other non-operating income (Misc.Income) | - | - |
| Total Other Income | 257.81 | 109.81 |

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| 28 COST OF RAW MATERIAL CONSUMED | | |
| Opening Stock | 1,637.03 | 1,983.14 |
| Purchases | 24,209.27 | 17,497.35 |
| Cartage Inward | 8.79 | 5.86 |
| | <u>25,855.09</u> | <u>19,486.35</u> |
| Closing Stock | (2,688.61) | (1,637.03) |
| Total Cost of Raw Material Consumed | <u><u>23,166.48</u></u> | <u><u>17,849.32</u></u> |
| 29 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE | | |
| CLOSING STOCK | | |
| Finished Goods | - | - |
| Work-in-progress | 3,124.57 | 2,893.95 |
| Scrap | 132.69 | 90.99 |
| | <u>3,257</u> | <u>2,985</u> |
| OPENING STOCK | | |
| Finished Goods | - | - |
| Work-in-progress | 2,893.95 | 1,758.57 |
| Scrap | 90.99 | 53.77 |
| | <u>2,984.94</u> | <u>1,812.34</u> |
| | <u><u>(272.31)</u></u> | <u><u>(1,172.61)</u></u> |
| 30 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries and Wages | 2,507.08 | 2,056.97 |
| Contribution to Provident and other Funds | 74.26 | 61.33 |
| Director's Remuneration | 17.75 | 25.20 |
| Gratuity | - | 3.96 |
| Staff Welfare Expenses | 290.82 | 236.15 |
| Total Employee Benefits Expense | <u><u>2,889.90</u></u> | <u><u>2,383.62</u></u> |
| 31 FINANCE COST | | |
| Interest Expense | 563.78 | 570.43 |
| Other Borrowing Cost | 368.02 | 274.81 |
| Total Finance Cost | <u><u>931.79</u></u> | <u><u>845.24</u></u> |
| 32 DEPRECIATION AND AMORTISATION | | |
| Depreciation on Tangible Assets | 920.49 | 853.70 |
| Amount transferred from Revaluation Reserve | (0.30) | (0.30) |
| Total Depreciation and Amortisation | <u><u>920.19</u></u> | <u><u>853.40</u></u> |
| 33 OTHER EXPENSES | | |
| MANUFACTURING EXPENSE | | |
| Stores, Spares and Tools Consumed | 5,003.16 | 4,314.98 |
| Power & Fuel | 3,077.83 | 2,592.13 |
| Processing Charges | 917.86 | 934.89 |
| Repairs & Maintenance : | | |
| Buildings | 89.28 | 106.29 |
| Plant & Machinery | 839.55 | 696.66 |
| Other | 105.60 | 69.17 |
| Total Manufacturing Expense (I) | <u><u>10,033.29</u></u> | <u><u>8,714.11</u></u> |

| | As at 31st March 2023 | As at 31st March 2022 |
|---|---|--------------------------|
| ADMINISTRATIVE EXPENSES | | |
| Rent, Rates and Taxes | 138.89 | 156.05 |
| Fine and penalties | - | - |
| Insurance | 34.88 | 40.84 |
| Travelling Expenses | 38.05 | 12.68 |
| Commission on Sale | 42.61 | 16.06 |
| Packing Expenses | 903.80 | 830.09 |
| Advertisement & Sales Promotion | 6.52 | 1.75 |
| Printing & Stationary | 15.41 | 11.68 |
| Postage & Telegram | 4.84 | 1.33 |
| Telephone Expenses | 7.57 | 6.74 |
| Legal & Professional Charges | 103.36 | 73.38 |
| Membership & Subscription | 1.23 | 0.24 |
| Charity & Donation | 0.56 | 1.41 |
| Corporate Social Responsibility Expense | 32.56 | 20.52 |
| Security Services | 135.01 | 102.35 |
| Miscellaneous Expenses | (1.60) | 15.49 |
| Loss on Sale of Fixed Assets (Net) | (3.97) | (4.50) |
| Conveyance Expenses | 7.13 | 7.07 |
| Vehicles Running & Maintenance | 28.09 | 18.53 |
| Freight Outward | 1,751.45 | 1,513.30 |
| Auditors Remuneration:- | | |
| Audit Fees | 9.00 | 3.50 |
| Director's Sitting Fee | 0.40 | 0.20 |
| Total Administrative Expense (II) | 3,255.77 | 2,828.70 |
| Total Other Expenses (I+II) | 13,289.06 | 11,542.82 |
| 34 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES | | |
| a) Gross amount required to be spent during the year | 32.56 | 20.52 |
| Amount unspent for Previous financial year | - | - |
| Total Amount to be spent on CSR for the year | 32.56 | 20.52 |
| b) Amount spent during the year on | | |
| i) Construction/ acquisition of any asset | NIL | NIL |
| ii) On purposes other than i) above | 32.56 | 20.52 |
| c) Nature of CSR Activities | Education and Promoting Education, Health Care, Orphanage/Old Age Home and Animal Welfare | |
| 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 | - | - |

| | As at 31st March 2023 | As at 31st March 2022 |
|--|--------------------------|--------------------------|
| II. Expenditure in Foreign currency | | |
| a) Commission on Export Sales | 41.68 | 6.88 |
| b) Foreign Travel (Foreign Exchange Utilized) | 6.19 | - |
| c) Repair & Maint. (Plant & Mach.) | 7.60 | 4.93 |
| d) Fixed Assets | 44.58 | - |
| III. Earnings in Foreign Exchange | | |
| Value of Export on F.O.B. basis | 6,133.25 | 8,311.43 |
| IV. Dividend paid in Foreign Currency | | |
| Details of amount remitted during the year in foreign currency on account of dividend | 0.01 | 0.01 |
| 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) | 2,794.83 | 2,215.60 |
| Net Profit After Taxation as per Statement of Profit and Loss (After Exceptional Items) | 2,794.83 | 2,215.60 |
| 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) | 55.05 | 43.64 |
| Basic and Diluted (After Exceptional Items) | 55.05 | 43.64 |

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.

Minimum lease payments for Company charged to Profit & Loss account during the year is ₹112.71 Lakhs

(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 2023 | As at 31st March 2022 |
|---|--------------------------|--------------------------|
| Not later than one year | 164.65 | 96.90 |
| Later than one year and not later than five years | 703.57 | 529.38 |
| Later than five years | | - |

| | | As at 31st March 2023 | As at 31st March 2022 |
|-----------|---|-------------------------------|-------------------------------|
| 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 | 925.00 | 973.96 |
| c) | Estimated amount of contracts remaining to be executed on capital account and not provided | | |
| | Total value of Contracts | 1,821.56 | 893.54 |
| | Contracts Remaining to be executed | 1,462.42 | 632.87 |
| 40 | LICENSED AND INSTALLED CAPACITY | Axles Shafts (Nos) | Axles Shafts (Nos) |
| | Licensed Capacity | N.A. | N.A. |
| | Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter) | 2700000 | 2400000 |
| | Actual Production | 2431924 | 1955503 |
| 41 | TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC. | | |

| TURNOVER | For The Year Ended 31st March, 2023 | | For The Year Ended 31st March, 2022 | |
|-------------------------|--|------------------|--|------------------|
| Finished Goods: | Quantity | Value | Quantity | Value |
| Axle Shafts (Nos.) | 2431924 | 42,692.70 | 1955503 | 33,515.71 |
| Scrap and Others (Kgs.) | 4580300 | 1,499.98 | 3967377 | 1,271.28 |
| Total | | 44,192.68 | | 34,786.98 |
| | | | | |
| STOCK OF GOODS | | | | |
| Opening Stock: | | | | |
| Axle Shafts (Nos.) | - | - | - | - |
| Closing Stock: | | | | |
| Axle Shafts (Nos.) | - | - | - | - |

42 CONSUMPTION ANALYSIS

| | | | | | |
|-------------|---|--|------------------|--|------------------|
| 42.1 | RAW MATERIAL AND COMPONENTS:- | For The Year Ended 31st March, 2023 | | For The Year Ended 31st March, 2022 | |
| | | Quantity | Value | Quantity | Value |
| | Metallic Rods | 31462027 | 23,166.48 | 26726510 | 17,849.32 |
| | Indigenous | 100% | 23,166.48 | 100% | 17,849.32 |
| | Total | 100% | 23,166.48 | 100% | 17,849.32 |
| | | | | | |
| 42.2 | COMPOSITIONS OF STORES , SPARES AND TOOLS CONSUMED:- | | | | |
| | Indigenous | 100% | 5,003.16 | 100% | 4,314.98 |
| | Total | 100% | 5,003.16 | 100% | 4,314.98 |

43.1 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 terminals salary.

| Determined by assuming salary rise of 6% per annum have been discounted by assuming the imputed rate of interest of 8 % per annum | Numbers Of Employees | Actuarial Value of Leave Encashment | Numbers Of Employees | Actuarial Value of Leave Encashment |
|---|----------------------|-------------------------------------|----------------------|-------------------------------------|
| | 31.03.2023 | | 31.03.2022 | |
| | 212 | 61.72 | 193 | 46.39 |

43.2 GRATUITY

Assumptions

Discount Rate

7.38%

6.80%

Salary Escalation

6.00%

6.00%

EMPLOYEE BENEFITS
Defined Contribution Plans: -

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

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.

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, 2023)

Plan Liability

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

| Date Ending | 31/3/2023 | 31/3/2022 |
|--|------------------|-----------|
| Present value of obligation as at the end of the period | 177.92 | 174.71 |
| Service Cost | 31/3/2023 | 31/3/2022 |
| a) Current Service Cost | 12.67 | 11.43 |
| b) Past Service Cost including curtailment Gains/Losses | - | - |
| c) Gains or Losses on Non routine settlements | - | - |
| d) Total Service Cost | 12.67 | 11.43 |
| Net Interest Cost | 31/3/2023 | 31/3/2022 |
| a) Interest Cost on Defined Benefit Obligation | 12.63 | 11.83 |
| b) Interest Income on Plan Assets | 15.33 | 12.04 |
| c) Net Interest Cost (Income) | (2.70) | (0.21) |

| | Change in Benefit Obligation | 31/3/2023 | | 31/3/2022 |
|----|---|------------------|--|------------------|
| a) | Present value of obligation as at the beginning of the period | 174.71 | | 174.00 |
| b) | Acquisition adjustment | - | | - |
| c) | Interest Cost | 12.63 | | 11.83 |
| d) | Service Cost | 12.67 | | 11.43 |
| e) | Past Service Cost including curtailment Gains/Losses | - | | - |
| f) | Benefits Paid | (18.31) | | (15.54) |
| g) | Total Actuarial (Gain)/Loss on Obligation | (3.78) | | (7.01) |
| h) | Present value of obligation as at the End of the period | 177.92 | | 174.71 |

| | Bifurcation of Actuarial Gain/Loss on Obligation | 31/3/2023 | | 31/3/2022 |
|----|--|------------------|--|------------------|
| a) | Actuarial (Gain)/Loss on arising from Change in Demographic Assumption | - | | - |
| b) | Actuarial (Gain)/Loss on arising from Change in Financial Assumption | (1.91) | | (5.28) |
| c) | Actuarial (Gain)/Loss on arising from Experience Adjustment | (1.87) | | (1.74) |

| | Actuarial Gain/Loss on Plan Asset | 31/3/2023 | | 31/3/2022 |
|----|--|------------------|--|------------------|
| a) | Expected Interest Income | 15.33 | | 12.04 |
| b) | Actual Income on Plan Asset | 14.47 | | 12.68 |
| c) | Actuarial gain /(loss) for the year on Asset | (0.86) | | 0.64 |

| | Balance Sheet and related analysis | 31/3/2023 | | 31/3/2022 |
|----|---|------------------|--|------------------|
| a) | Present Value of the obligation at end | 177.92 | | 174.71 |
| b) | Fair value of plan assets | 208.16 | | 212.00 |
| c) | Unfunded Liability/provision in Balance Sheet | 30.25 | | 37.29 |

| | The amounts recognized in the income statement | 31/3/2023 | | 31/3/2022 |
|----|---|------------------|--|------------------|
| a) | Total Service Cost | 12.67 | | 11.43 |
| b) | Net Interest Cost | (2.70) | | (0.21) |
| c) | Expense recognized in the Income Statement | 9.97 | | 11.22 |

| | Other Comprehensive Income (OCI) | 31/3/2023 | | 31/3/2022 |
|----|---|------------------|--|------------------|
| a) | Net cumulative unrecognized actuarial gain/(loss) opening | - | | - |
| b) | Actuarial gain / (loss) for the year on PBO | 3.78 | | 7.01 |
| c) | Actuarial gain /(loss) for the year on Asset | (0.86) | | 0.64 |
| d) | Unrecognized actuarial gain/(loss) for the year | 2.93 | | 7.65 |

| | Change in plan assets | 31/3/2023 | | 31/3/2022 |
|----|--|------------------|--|------------------|
| a) | Fair value of plan assets at the beginning of the period | 212.00 | | 177.10 |
| b) | Actual return on plan assets | 14.47 | | 12.68 |
| c) | Employer contribution | - | | 37.76 |
| d) | Benefits paid | (18.31) | | (15.54) |
| e) | Fair value of plan assets at the end of the period | 208.16 | | 212.00 |

| | Major categories of plan assets (as %age of total plan assets) | 31/3/2023 | | 31/3/2022 |
|----|---|------------------|--|------------------|
| 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 | 31/3/2023 | 31/3/2022 |
|----|--|------------------|------------------|
| a) | Net defined benefit liability at the start of the period | (37.29) | (3.09) |
| b) | Acquisition adjustment | - | - |
| c) | Total Service Cost | 12.67 | 11.43 |
| d) | Net Interest cost (Income) | (2.70) | (0.21) |
| e) | Re-measurements | (2.93) | (7.65) |
| f) | Contribution paid to the Fund | - | (37.76) |
| g) | Benefit paid directly by the enterprise | - | - |
| h) | Net defined benefit liability at the end of the period | (30.25) | (37.29) |

| | Bifurcation of PBO at the end of year in current and non current. | 31/3/2023 | 31/3/2022 |
|----|--|------------------|------------------|
| a) | Current liability (Amount due within one year) | 44.72 | 44.99 |
| b) | Non-Current liability (Amount due over one year) | 133.19 | 129.72 |
| | Total PBO at the end of year | 177.92 | 174.71 |

| | Expected contribution for the next Annual reporting period. | 31/3/2023 | 31/3/2022 |
|----|--|------------------|------------------|
| a) | Service Cost | 15.58 | 14.47 |
| b) | Net Interest Cost | (2.23) | (2.70) |
| c) | Expected Expense for the next annual reporting period | 13.34 | 11.78 |

Sensitivity Analysis of the defined benefit obligation.

| | | |
|----|--|---------------|
| a) | Impact of the change in discount rate | |
| | Present Value of Obligation at the end of the period | 177.92 |
| a) | Impact due to increase of 0.50% | (6.16) |
| b) | Impact due to decrease of 0.50 % | 6.64 |

| | | |
|----|--|---------------|
| a) | Impact of the change in salary increase | |
| | Present Value of Obligation at the end of the period | 177.92 |
| a) | Impact due to increase of 0.50% | 5.90 |
| b) | Impact due to decrease of 0.50 % | (5.54) |

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

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

Mr. Rakesh Talwar
M/s Rakesh Talwar HUF
Mr. Karan Talwar
Mr. Kartik Talwar
Mrs. Naini Talwar

Member of Promotor Group
Member of Promotor Group
Member of Promotor Group
Member of Promotor Group
Member of Promotor Group

| Name of Person | Nature of Transaction | Transaction Amount | | Receivables / (Payables) | |
|------------------------|-----------------------|--------------------|-----------|--------------------------|------------|
| | | 31/3/2023 | 31/3/2022 | 31/3/2023 | 31/3/2022 |
| MR. TARUN TALWAR | SALARY | 91.77 | 67.57 | (4.43) | (3.49) |
| | PERORMANCE BONUS | 50.00 | 35.00 | - | - |
| TARUN TALWAR HUF | LOANS RECEIVED | 150.00 | 50.00 | (100.00) | (50.00) |
| | LOANS REPAID | 100.00 | - | - | - |
| | INTT. ON LOAN | 12.63 | 2.96 | - | - |
| MR. SANJAY SHARMA | SALARY | 14.87 | 13.64 | (0.95) | (0.94) |
| MR. VIJAY KUMAR SHARMA | SALARY | 13.56 | 12.07 | (1.02) | (0.96) |
| MR. ANKUSH JINDAL | SALARY | 9.81 | 9.06 | (0.65) | (0.69) |
| MR. KANWAR PAL PAWAR | SALARY | 5.24 | 4.86 | (0.38) | (0.37) |
| | | 3.20 | - | - | - |
| MR. RAJESH TALWAR | SALARY | 54.37 | 54.37 | (2.16) | (3.20) |
| | PERORMANCE BONUS | 50.00 | 35.00 | - | - |
| | DIVIDEND | 20.21 | - | - | - |
| | LOANS RECEIVED | 745.00 | 145.00 | (1,059.34) | (352.73) |
| | LOANS REPAID | 38.40 | 8.02 | - | - |
| | INTT. ON LOAN | 93.07 | 21.45 | - | - |
| MS. GITA TALWAR | LOANS RECEIVED | 290.00 | 690.00 | (1,244.44) | (1,033.14) |
| | LOANS REPAID | 78.70 | 249.16 | - | - |
| | DIVIDEND | 20.24 | 15.18 | - | - |
| | INTT. ON LOAN | 102.45 | 66.36 | - | - |
| MS. SHWETA TALWAR | SALARY | 6.00 | 12.40 | - | (1.60) |
| MS. SHWETA TALWAR | LOANS RECEIVED | 390.00 | 56.50 | (20.45) | (222.84) |
| | LOANS REPAID | 592.39 | 96.52 | - | - |
| | DIVIDEND | 7.37 | 5.53 | - | - |
| | INTT. ON LOAN | 30.66 | 18.18 | - | - |
| MR RAKESH TALWAR | DIVIDEND | 5.68 | 8.89 | - | - |
| RAKESH TALWAR (HUF) | DIVIDEND | 0.05 | 4.09 | - | - |
| MR KARAN TALWAR | DIVIDEND | 7.90 | 1.58 | - | - |
| MR KARTIK TALWAR | DIVIDEND | 6.61 | 0.62 | - | - |
| MRS NAINI TALWAR | DIVIDEND | 5.89 | 4.42 | - | - |

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

| Name of Person | Nature of Transaction | Transaction Amount | | Receivables / (Payables) | |
|----------------------------------|-----------------------|--------------------|-----------|--------------------------|-----------|
| | | 31/3/2023 | 31/3/2022 | 31/3/2023 | 31/3/2022 |
| J.T.Engineering Private Limited. | Rent Paid | 12.00 | 7.20 | (5.40) | (2.54) |

46 ADDITIONAL REGULATORY INFORMATION

- i) Title Deeds of immovable properties not held in the name of Company : NIL
- ii) Loans and Advances to Promoters, Directors KMPs or related parties : NIL
- iii) **CWIP Aging Schedule**

| CWIP | Amount in CWIP for a period of | | | | Total |
|--------------------------------------|--------------------------------|-----------|-----------|-------------|---------|
| | Less than 1 year | 1-2 years | 2-3 years | 3 Yrs above | |
| Building Under Construction | 1011.81 | 147.30 | 54.65 | 387.56 | 1601.32 |
| Plant & Machinery under Installation | 204.40 | 348.69 | - | - | 553.09 |
| | 1216.20 | 495.99 | 54.65 | 387.56 | 2154.41 |

The Company has borrowings from Banks and Financial Institutions on the basis of security of Current Assets.

- iv) The Statement of current assets filed by the Company with Banks and Financial Institutions are in agreement with books of accounts.

| v) | Financial ratios | 31.03.2023 | | 31.03.2022 | | % age Change |
|----|----------------------------------|------------|--|------------|--|--------------|
| a) | Current Ratio | 2.69 | | 2.47 | | 8.77% |
| b) | Debt Equity Ratio | 0.50 | | 0.63 | | 19.59% |
| c) | Debt Service Coverage R atio | 4.49 | | 3.93 | | 14.33% |
| d) | Return on Equity Ratio | 0.23 | | 0.24 | | -2.08% |
| e) | Inventory Turnover Ratio | 7.05 | | 7.28 | | 3.12% |
| f) | Trade Receivables Turnover Ratio | 6.96 | | 4.94 | | 40.78% |
| g) | Trade Payables Turnover Ratio | 12.15 | | 9.14 | | 32.90% |
| h) | Net Capital Turnover Ratio | 3.72 | | 3.79 | | -1.99% |
| i) | Net Profit Ratio | 0.08 | | 0.08 | | 1.17% |
| j) | Return on Capital Employed | 0.39 | | 0.41 | | -3.72% |
| k) | Return on Investment | - | | - | | - |

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

- | | |
|---------------------------------|--|
| a) Current Ratio | Current Assets over Current Liabilities |
| b) Debt Equity Ratio | Debt Over Total Shareholders Equity |
| c) Debt Service Coverage R atio | Earnings before Interest and Tax over current Maturities of Long Term Debt |
| d) Return on Equity Ratio | Profit after Tax over Shareholders Equity |
| e) Inventory Turnover Ratio | Revenue from operations over average Inventory |

| | |
|-------------------------------------|--|
| f) Trade Receivables Turnover Ratio | Revenue from operations over average trade receivables |
| g) Trade Payables Turnover Ratio | Cost of Goods Sold over Average Trade payables |
| h) Net Capital Turnover Ratio | Revenue from operations over equity |
| i) Net Profit Ratio | Net profit over Total Income |
| j) Return on Capital Employed | Profit before interest and Tax over average capital employed |
| k) Return on Investment | Interest income, net gain on sale of investments and net fair value gain over average investments. |

Explanation for Variance Exceeding 25%

- a) There has been improvement in Trade Receivable Turnover Ratio on account of faster recovery of receivables
- b) Improvement in Trade payables Turnover ratio as the company has been able to pay off its suppliers on time on account of improved cash flow.

47 In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

48 Previous year figures have been regrouped/ reclassified wherever found necessary to correspond with the current year classification

49 All amounts in the financial statements are rounded off to Lakhs rounded off to two digits, except as otherwise stated.

50 Current year figures are shown in bold prints

As per our report of even date
For RAKESH RAJ & ASSOCIATES
Chartered Accountants
FRN: 005145N

Sd/-
(Raj K. Agarwal)
Partner
Membership No. 083352

Place: Faridabad
Date: 19th May 2023
UDIN: 23083352BHALJI9233

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

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

Sd/-
Sanjay Sharma
Executive Director
DIN: 06394774
H. No. 1002 Sector 8, Faridabad
Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

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TALBROS ENGINEERING LIMITED

CIN No.: L74210HR1986PLC033018

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

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