



19th July, 2022

To

The Manager Listing
BSE Limited
P.J. Tower, Dalal Street,
Mumbai – 400 023
Scrip Code: 538987

Sub.: Submission of Annual Report for the Financial Year 2021-22

Dear Sir/Madam

Pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report including Director's Report and Auditor's Report thereon of the Company for the Financial Year 2021-22.

You are requested to kindly take the same on your records.

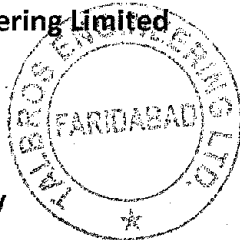
Thanking You

Yours Sincerely

For Talbros Engineering Limited

A handwritten signature in black ink, appearing to read 'Ankush Jindal'.

Ankush Jindal
Company Secretary



Encl.: a/a

TALBROS ENGINEERING LIMITED

Corporate and Regd. Office
Plot No. : 74-75-76, Sector - 06,
Faridabad - 121006 (Haryana) INDIA

+91-0129-4284300 (40 LINES), Fax: +91-129-4061541
axleshafts@talbrosaxles.com
www.talbrosaxles.com

CIN No. L74210HR1986PLC033018
GST No. 06AABCT0247L2ZD
IATF 16949:2016 System Certified



36th Annual Report 2021-22



ISO 9001:2015 No. 09701/0
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

36TH ANNUAL REPORT 2021-2022

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

COMPANY SECRETARY

MR. ANKUSH JINDAL

BANKERS

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

AUDITORS

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

REGISTRAR AND TRANSFER AGENT (RTA)

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

REGISTERED AND WORKS OFFICE

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

WORKS

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

STOCK EXCHANGE

BSE LIMITED

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 36th 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 2022.

FINANCIAL RESULTS: (₹ in Lacs)

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

REVIEW OF OPERATIONS:

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

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

DIVIDEND:

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

TRANSFER TO GENERAL RESERVE:

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

SHARE CAPITAL

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

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

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

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 auditors under sub-section 12 of Section 143 of Companies Act, 2013.

LISTING FEES

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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

MARKETING AND EXPORT:

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

BORROWINGS:

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

CREDIT RATING:

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

SUBSIDIARIES:

The Company is not having any subsidiary company.

DIRECTORS:

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

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

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

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

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

COMPOSITION OF COMMITTEES

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

The directors confirm that:

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

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

DECLARATION BY INDEPENDENT DIRECTORS:

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

NUMBER OF MEETINGS OF THE BOARD:

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

BOARD EVALUATION:

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

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

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

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

REGISTERED OFFICE

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

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION:

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

CODE OF CONDUCT:

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

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

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

AUDIT COMMITTEE:

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

NOMINATION AND REMUNERATION COMMITTEE:

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

CHANGE IN THE NATURE OF BUSINESS:

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

RELATED PARTY TRANSACTIONS:

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on Related Party Transactions which can be accessed on Company's website www.talbrosexles.com. 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 DSRV and Co. LLP, Chartered Accountants (Firm registration number 006993N) was appointed as Statutory Auditors of the Company to hold the office from the conclusion of 31st Annual General Meeting held on 28th September, 2017, till the conclusion of 36th Annual General Meeting to be held in year 2022, subject to the ratification by shareholders at every Annual General Meeting or as may be necessitated by the Act from time to time.

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

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

SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:

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

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

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complied with all applicable Secretarial Standards.

COST AUDITOR'S AND THEIR REPORT:

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

INSURANCE AND RISK MANAGEMENT:

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

PREVENTION OF INSIDER TRADING:

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

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

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

DEPOSITS:

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

CORPORATE GOVERNANCE:

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

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

CORPORATE SOCIAL RESPONSIBILITY:

Annual Report on CSR Activities

1. Brief Outline of CSR Policy of the Company

Talbro Engineering Limited (TEL) is committed to high

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

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

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

Objective

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

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

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

2. Composition of CSR Committee

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

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

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

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

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

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

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

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

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

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

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

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

(d) Amount spent in Administrative Overheads: NIL

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

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

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

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

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

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

(Amount in ₹ Lacs)

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

(b) Percentage increase in remuneration of Directors and KMPs

(Amount in ₹ Lacs)

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE CERTIFICATE:

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

UNCLAIMED SHARE SUSPENSE ACCOUNT

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

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

EXTRACTS OF THE ANNUAL RETURN:

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

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

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

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

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

OTHER DISCLOSURES:

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

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

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

Place: Faridabad
Date: 20.06.2022

Form No. AOC-2

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

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

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

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

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

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

ANNEXURE-A

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

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

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

(B) Technology absorption:

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

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

(C) Foreign Exchange Earning and Outgo:

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

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

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

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act and Regulations.

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

Anuj Gupta

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

Place: New Delhi

Date: 09.06.2022

UDIN: A031025D000477856

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

ANNEXURE 1

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained Management representations about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

Anuj Gupta

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

Place: New Delhi

Date: 09.06.2022

UDIN: A031025D000477856

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

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

(B) OPPORTUNITIES AND THREATS

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

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

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

(D) OUTLOOK

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

(E) RISKS AND CONCERNS

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

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

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

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

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

(I) KEY FINANCIAL RATIOS

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

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

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

(J) RETURN ON NET WORTH

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

For and on behalf of the Board

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

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

Sd/-

Sanjay Sharma

Executive Director

DIN: 06394774

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

Place: Faridabad

Date : 20.06.2022

CORPORATE GOVERNANCE

1. PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

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

The Board of Directors of the Company is duly

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

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

Further, 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.

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

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

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

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

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

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

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

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

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

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

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

Certificate from Practicing Company Secretary

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

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Vigil Mechanism /

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

Independent Directors

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

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

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

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

Further, 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.

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

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

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

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

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

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

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

Determining qualification, attributes and independence of a Director:

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

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

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

Evaluation of Individual Directors, the Board and its Committees

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

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

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

Role & Accountability

- Understanding the nature and role of independent directors' position
- Undertaking the risks associated with the business
- Application of knowledge for rendering advice to management for resolution of business issues
- Offer constructive challenge to management strategies and proposals
- Active engagement with the management and attentiveness to progress of decisions taken

Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views

Leadership and Initiative

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

Personal Attributes

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

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

Evaluation of Board:

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

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

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

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

Board Diversity:

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

3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:

(A) AUDIT COMMITTEE:

(a) Terms of Reference:

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

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

credible;

- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:
 - a. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications / Modified opinions(s) in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

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

and NBFC(s).

The Audit Committee shall mandatorily review the following information:

- (i) Management Discussion and Analysis of financial condition and results of operations;
- (ii) Statement of Significant related party transactions (as defined by the Audit Committee), submitted by management;
- (iii) Management Letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (iv) Internal Audit Reports issued by Internal Auditors;
- (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- (vi) Statement of Deviations:
 - (a) Quarterly statement of deviation(s), if any including report of monitoring agency, if applicable submitted to stock exchange in terms of Regulation 32(1) of SEBI (LODR) Regulations.
 - (b) Annual Statements of fund utilized for purposes other than those stated in the offer document/prospectus/notice, if applicable in terms of Regulation 32(7) of SEBI (LODR) Regulations.
- (vii) Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time at least once in a financial year effective from 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 Mrs. Seema Sethi as on 31st March, 2022. Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07th February, 2022. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 4 (Four) times during the year ended 31st March, 2022. The attendance record of the members at the meeting were as follows:

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

* Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07th February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 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 28th September, 2021.

(B) NOMINATION AND REMUNERATION COMMITTEE:

(a) Terms of Reference:

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

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

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

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

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

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

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

** Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07th February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 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.*

(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, 2022:

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

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

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

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, 2022, the Stakeholders Relationship Committee met 4 times.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

Terms of Reference:

The functioning and terms of reference of the

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

* Ms. Priyanka Khattar has resigned from the office of Director and member of Committee w.e.f. 07th February, 2022 and Mrs. Seema Sethi has been appointed as an Additional Independent Woman Director of the Company with immediate effect. Further, Mrs. Seema Sethi has resigned has tendered her resignation and Mrs. Shashi Khurana has been appointed as an Independent Woman Director of the Company w.e.f. 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 2021-22 are as follows:

Received	Resolved	Pending
9	9	Nil

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

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

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

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

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The Corporate Social Responsibility (CSR)

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

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

(b) Terms of Reference:

The Committee is responsible for the following purposes:

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

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

(4) INDEPENDENT DIRECTORS MEETING:

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

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

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

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

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

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

(6) FAMILIARISATION PROGRAMMES FOR DIRECTORS:

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

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

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

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

The details of familiarisation programme have been uploaded on the Company's website www.talbrosexles.com

(7) GENERAL BODY MEETINGS:

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

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

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

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

(c) Postal Ballot:

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

(8) MEANS OF COMMUNICATION:

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

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

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

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 36th Annual General Meeting of the Company will be held on Monday, 22nd August, 2022 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, 2022	First week of August, 2022
For 2 nd Quarter / half year ending 30 th September, 2022	First week of November, 2022
For 3 rd Quarter / nine months ending 31 st December, 2022	First week of February, 2022
For 4 th Quarter / Year ending 31 st March, 2023	Last week of May, 2023
Annual General Meeting for the year ending 31 st March, 2023	Last week of September, 2023

(c) Date of Book Closure

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

(d) Dividend Payment Date

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

(e) Listing on Stock Exchanges

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

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

(f) Stock Code

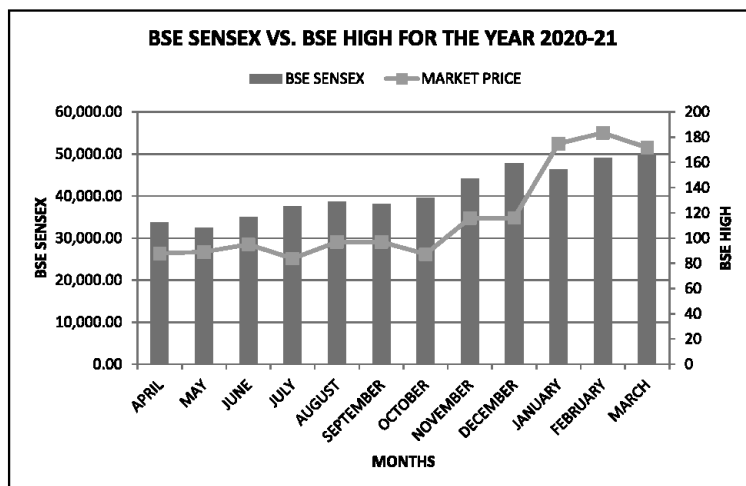
The Stock codes allotted to the Company are as follows:

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

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

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

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



(h) Registrar and Transfer Agents

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

(i) Share Transfer System

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

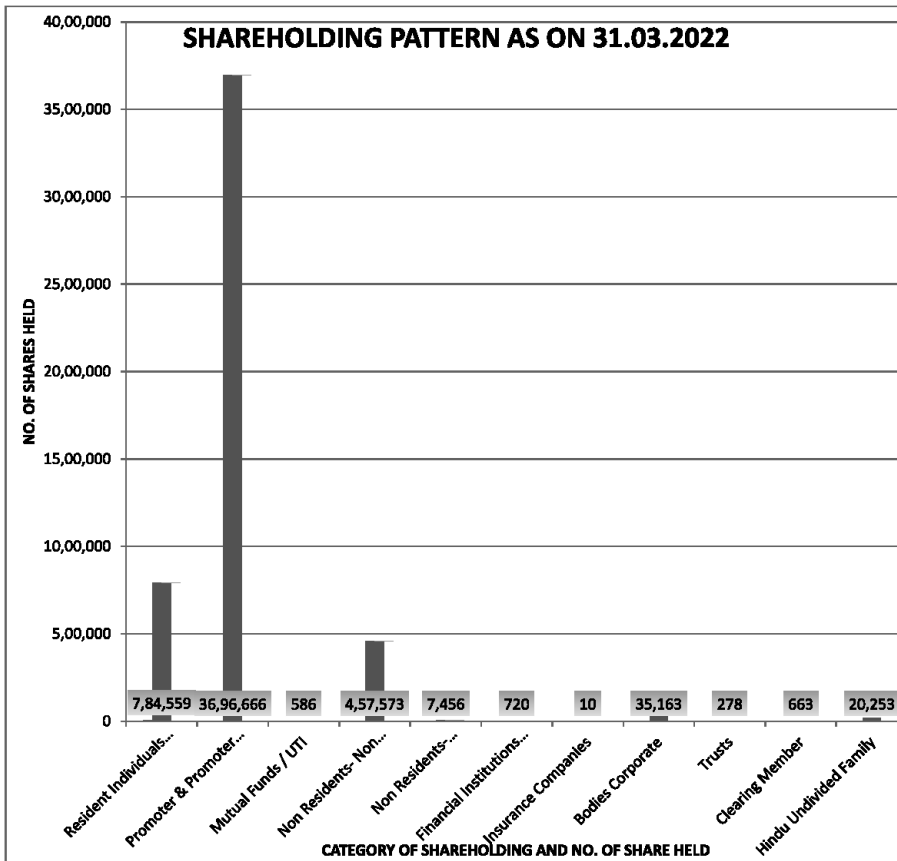
has delegated the authority for approval of transfer, transmission etc to Stakeholders Relationship Committee comprising of One Executive Director and Two Non Executive Directors. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

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

(j) Distribution of Shareholding

(a) *On the basis of Category*

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



(b) On the basis of Shares held

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

(c) On the basis of ownership

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

(k) Dematerialization of shares and liquidity

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

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

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

(l) Credit Rating

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

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

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

(n) Plant Locations

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

(b) *Unit Locations:*

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

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

(o) Address for Correspondence

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

(10) OTHER DISCLOSURES:

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

DECLARATION

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

For and on behalf of the Board

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

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

Place: Faridabad

Date: 20th June, 2022

Sd/-

Sanjay Sharma

Executive Director

DIN: 06394774

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

COO/CFO CERTIFICATION TO THE BOARD

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

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

- (1) We have reviewed financial statements and cash flow statement for the year ended on 31st March, 2022 and that to the best of our knowledge and belief:-
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and

the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (4) We have indicated to the Auditors and the Audit Committee:-
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
Tarun Talwar
Chief Operating Officer
Place: Faridabad
Date : 20.06.2022

Sd/-
Kanwar Pal Pawar
Chief Financial Officer

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

To
The Members
Talbros Engineering Limited

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

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

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

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

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

Place: Faridabad
Date: 09.06.2022
UDIN: 22085714AKPNPY2643

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) 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, 2022 have been debarred or disqualified from being appointed or continuing

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

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

For Anuj Gupta & Associates
Company Secretaries

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

Place: New Delhi
Date: 09.06.2022
UDIN: A031025D000477845

DECLARATION FOR THE COMPLIANCE WITH CODE OF CONDUCT

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

Place: Faridabad
Date: 20.06.2022

Sd/-
Sanjay Sharma
Executive Director
DIN: 06394774

INDEPENDENT AUDITORS' REPORT

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

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

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

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

Basis for Opinion:

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

Key Audit Matters:

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

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

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

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

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

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

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

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

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

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS Financial Statements comply with the AS specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, as amended in our opinion and to the best of our information and according to the explanation given to us
 - i) The Company does not have any pending litigation which would impact its Financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses under the applicable law or accounting standards.
 - iii) There has been no delay in transferring amounts if applicable, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv)
 - (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 38b to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 38b to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013. As stated in notes to the financial statements, the Board of Directors of the Company have proposed final dividend for the current year which is

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

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

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

Place: Faridabad

Date: 23.05.2022

UDIN No.: 22085714AJKXZG6368

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

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

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

Sd/-

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

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

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT:

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

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

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

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

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

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

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

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

For D S R V AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

Place: Faridabad

Date: 23.05.2022

UDIN No.: 22085714AJKXZG6368

D.K. AGARWAL

(PARTNER)

M.NO: 85714

BALANCE SHEET AS AT 31st March 2022

(All Amount in ₹ Lakhs unless otherwise stated)

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

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No. : 22085714AJKXZG6368

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

Ankush Jindal

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

Sd/-

Sanjay Sharma

Executive Director

DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No.: 22085714AJKXZG6368

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

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Sanjay Sharma

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DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

 MCF - 57, Shyam Colony,
Tigaon Road, Ballabgarh

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place : Faridabad

Date : 23.05.2022

UDIN No.: 22085714AJKXZG6368

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

Ankush Jindal

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

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Sanjay Sharma

Executive Director

DIN: 06394774

H.No. 1002, Sector 8, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh

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

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 **23.05.2022**

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue Recognition

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

3.2.1 Property, plant and equipment

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

3.2.2 Capital work in progress

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

3.2.3 Depreciation

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

3.2.4 Intangible assets

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

3.2.5 Borrowing Costs

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

3.2.6 Cash and cash equivalents

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

3.2.7 Impairment of Non-financial assets

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

3.2.8 Inventories

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

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

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

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

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

3.2.10 Taxation

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

3.2.11 Employee benefit schemes

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

a) Gratuity

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

b) Leave encashment

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

3.2.12 Foreign currency transactions

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

3.2.13 Earnings per share

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

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

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

3.2.14 Cash Flow Statement

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

3.2.15 Segment Reporting

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

3.2.16 Research and development

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

3.2.17 Leases

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

3.2.18 Use Of Estimates

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

3.2.19 Share Issue Expenses

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

3.2.20 Derivative Financial Instruments

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

3.2.21 Hedge Accounting

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

4.1 : PROPERTY PLANT AND EQUIPMENT

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01-04-2021	Additions during the year	Sale/Adjustment during the year	As At 31.03.2022	Upto 31.03.2021	For the period ended as on 31.03.2022	Adjustments during the year	Total upto 31.03.2022	As At 31.03.2022	As At 31.03.2021
LAND	1,741.88	-	-	1,741.88	-	-	-	-	1,741.88	1,741.88
BUILDING	1,877.34	373.57	-	2,250.91	247.03	62.77	-	309.80	1,941.11	1,630.31
PLANT & MACHINERY	8,808.74	1,390.74	25.39	10,174.09	5,057.24	715.31	22.09	5,750.46	4,423.63	3,751.50
VEHICLES	331.29	87.56	7.66	411.19	137.03	36.38	7.28	166.13	245.06	194.27
FURNITURE & FIXTURES	55.42	4.92	-	60.34	44.59	3.48	-	48.06	12.28	10.84
OFFICE EQUIPMENT	115.67	8.61	-	124.28	91.41	5.97	-	97.38	26.90	24.26
ELECTRIC INSTALLATION	224.21	98.59	-	322.80	106.20	22.26	-	128.46	194.34	118.01
COMPUTER	66.33	7.52	-	73.84	58.66	3.95	-	62.62	11.22	7.66
CURRENT 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
PREVIOUS YEAR	12,805.87	429.70	14.69	13,220.89	4,944.32	799.89	2.05	5,742.16	7,478.72	7,861.55

4.2 : INTANGIBLE ASSETS

INTANGIBLE ASSETS	37.16	0.79	-	37.95	13.17	3.59	-	16.75	21.20	24.00
CURRENT YEAR	37.16	0.79	-	37.95	13.17	3.59	-	16.75	21.20	24.00
PREVIOUS YEAR	35.52	1.64	-	37.16	9.75	3.42	-	13.17	24.00	25.78

4.3 : CAPITAL WORK IN PROGRESS

CWIP - BUILDING	783.08	330.47	524.03	589.52	-	-	-	-	589.52	783.08
CWIP - PLANT & MACHINERY	254.71	1,456.35	1,362.36	348.69	-	-	-	-	348.69	254.71
CURRENT YEAR	1,037.79	1,786.82	1,886.39	938.21	-	-	-	-	938.21	1,037.79
PREVIOUS YEAR	846.14	578.05	386.41	1,037.79	-	-	-	-	1,037.79	846.14
TOTAL CURRENT YR	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
PREVIOUS YEAR	13,687.54	1,009.39	401.09	14,295.84	4,954.07	803.31	2.05	5,755.33	8,540.51	8,733.47

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
16 EQUITY SHARE CAPITAL		
16.1 AUTHORISED SHARE CAPITAL		
51,00,000 (P.Y. 51,00,000) Equity Shares of ₹ 10/- each	510.00	510.00
16.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
50,76,504 (P.Y. 50,76,504) Equity Shares of ₹ 10/- each fully paid up	507.65	507.65
Total Issued, Subscribed and fully paid up capital	<u>507.65</u>	<u>507.65</u>
16.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD		
Equity shares		
At the beginning of the year	5,076,504	5,076,504
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 2021, the amount of dividend per share distributed to equity holders was INR 1.50/- per share. For the Financial year ended on 31st March 2022, the directors have proposed a dividend to Equity Shareholders at 20%, being ₹ 2.00/- per share.

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

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

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
34 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES		
a) Gross amount required to be spent during the year	20.52	19.58
Amount unspent for Previous financial year	-	8.05
Total Amount to be spent on CSR for the year	20.52	27.63
b) Amount spent during the year on		
i) Construction/ acquisition of any asset	NIL	NIL
ii) On purposes other than i) above	20.52	27.71
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	-	-
II. Expenditure in Foreign currency		
a) Commission on Export Sales	6.88	18.27
b) Foreign Travel (Foreign Exchange Utilized)	-	-
c) Repair & Maint. (Plant & Mach.)	4.93	0.42
d) Fixed Assets	-	43.90
III. Earnings in Foreign Exchange		
* Value of Export on F.O.B. basis	8,311.43	5,737.34
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)	2,215.60	1,076.29
Net profit after taxation as per Statement of Profit and Loss (After Exceptional Items)	2,215.60	1,076.29
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)	43.64	21.20
Basic and Diluted (After Exceptional Items)	43.64	21.20

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

(All Amount in ₹ Lakhs unless otherwise stated)

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

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

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

**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 | 973.96 | 974.81 |
| c) Estimated amount of contracts remaining to be executed on capital account and not provided | | |
| Total value of Contracts | 893.54 | 1,272.93 |
| Contracts Remaining to be executed | 632.87 | 920.70 |

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)	2400000	2100000
Actual Production	1955503	1564249

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

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

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

(₹ in Lakhs)

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

42.2 COMPOSITIONS OF STORES, SPARES AND TOOLS CONSUMED:-

(₹ in Lakhs)

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

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

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

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

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

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

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

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

44.1 LEAVE ENCASHMENT

Following Basis were adopted for the computation of the said liabilities

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

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

44.2 GRATUITY

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

EMPLOYEE BENEFITS
Defined Contribution Plans :-

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

Defined Benefit Plans :-

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

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

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

Plan Liability

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

Date Ending	31.03.2022	31.03.2021
Present value of obligation as at the end of the period	174.71	174.00

Service Cost	31.03.2022	31.03.2021
a) Current Service Cost	11.43	11.53
b) Past Service Cost including curtailment Gains/Losses	-	-
c) Gains or Losses on Non routine settlements	-	-
d) Total Service Cost	11.43	11.53

Net Interest Cost	31.03.2022	31.03.2021
a) Interest Cost on Defined Benefit Obligation	11.83	11.46
b) Interest Income on Plan Assets	12.04	9.75
c) Net Interest Cost (Income)	(0.21)	1.71

Change in Benefit Obligation	31.03.2022	31.03.2021
a) Present value of obligation as at the beginning of the period	174.00	168.56
b) Acquisition adjustment	-	-
c) Interest Cost	11.83	11.46
d) Service Cost	11.43	11.53
e) Past Service Cost including curtailment Gains/Losses	-	-
f) Benefits Paid	(15.54)	(8.04)
g) Total Actuarial (Gain)/Loss on Obligation	(7.01)	(9.50)
h) Present value of obligation as at the End of the period	174.71	174.00

Bifurcation of Actuarial Gain/Loss on Obligation	31.03.2022	31.03.2021
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(5.28)	-
c) Actuarial (Gain)/Loss on arising from Experience Adjustment	(1.74)	(9.50)

Actuarial Gain/Loss on Plan Asset	31.03.2022	31.03.2021
a) Expected Interest Income	12.04	9.75
b) Actual Income on Plan Asset	12.68	10.95
c) Actuarial gain /(loss) for the year on Asset	0.64	1.20

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

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

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

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

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

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

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

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

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

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

45 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

46 ADDITIONAL REGULATORY INFORMATION

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

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

iii) **CWIP Aging Schedule**

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	147.30	54.65	123.48	264.08	589.52
Plant & Machinery under Installation	348.69	-	-	-	348.69
	495.99	54.65	123.48	264.08	938.21

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

v) **Financial ratios**

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

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

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

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

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

Explanation for Variance Exceeding 25%

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

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

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

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

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

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

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

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

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





TALBROS ENGINEERING LIMITED

CIN No.: L74210HR1986PLC033018

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

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