



Talbro's Automotive
Components Ltd.

www.talbro's.com

30th August, 2025

Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip Code: 505160	Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C-1, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Symbol: TALBROAUTO
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Sub: Submission of Annual Report for the Financial Year 2024-25 along with the Notice of 68th Annual General Meeting ("AGM") of the Company.

Dear Sir/Ma'am,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 68th Annual Report of the Company for the financial year 2024-25 along with the Notice of the 68th Annual General Meeting of the Company scheduled to be held on **Thursday, 25th September, 2025 at 12.30 P.M. (IST)** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

The Notice of the 68th AGM along with Annual Report for the financial year 2024-25 is being sent electronically to the members whose e-mail addresses are registered with the Registrar and Share Transfer Agent ("RTA") of the Company i.e., Kfin Technologies Limited and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited. Further, in compliance with Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is also sending a letter to shareholders, who have not registered their email addresses, providing the web link including exact path for accessing the Annual Report and AGM Notice.

The Annual Report along with Notice convening 68th AGM has also been uploaded on the Company's website at <https://www.talbro's.com/>

Thanking you,

Yours Sincerely

For Talbro's Automotive Components Limited

SEEMA

NARANG

Seema Narang

Company Secretary

Digitally signed by
SEEMA NARANG
Date: 2025.08.30
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Encl: As above



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Investor Information

Market Cap as of March 31, 2025	₹1,460.79 Crores
CIN	L29199HR1956PLC033107
BSE Code	505160
NSE Symbol	TALBROAUTO
Bloomberg Code	TALB:IN
Interim Dividend	₹0.20p per Share (10%)
Final Dividend	₹0.50p per Share (25%)
AGM Date	September 25, 2025
AGM Venue/Mode	Video Conference (VC)/Other Audio-Visual Means (OAVM)
AGM Deemed Venue	Registered Office of the Company



For more investor-related information, scan the QR code or visit: <https://www.talbro.com/investors>

Disclaimer: This document contains statements about expected future events and financials of Talbros Automotive Components Limited ('The Company'), which are 'forward-looking'. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other 'forward-looking' statements may not prove to be accurate. Readers are cautioned not to place undue reliance on 'forward-looking' statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

VISION TO VICTORY

Committed to Strategic Excellence

The year 2024-25 was a defining one for Talbros Automotive Components Limited, as the Company transformed long-term vision into measurable progress across products, geographies, and technologies. This reinforced its commitment to strategic excellence.

Amid a volatile global environment marked by shifting demand, supply chain disruptions, and rising competition, Talbros remained resilient. A sharp focus on operational execution, margin expansion, and market diversification helped the Company sustain growth while navigating industry headwinds.

The Company's diversified business model, spanning multiple geographies, product lines, and a broad customer base, continued to provide inherent stability. This strong foundation enabled Talbros to scale existing capabilities while positioning itself for the future of mobility.

Operationally, the Company deepened its focus on localisation, capacity expansion, and technology investments, particularly in the electric vehicle (EV) segment. Financial discipline remained central, with improved

inventory turnover, strong receivables management, and continued efforts in debt reduction, ensuring a robust and agile balance sheet.

Innovation remained a key growth driver. Talbros invested in future-ready technologies, secured multi-year global orders, and developed next-generation products to strengthen its presence in emerging automotive segments. Strategic joint ventures continued to expand technical capabilities, while a growing export footprint supported global ambitions.

As Talbros advances on its journey from vision to victory, it does so with a clear roadmap, deep-rooted partnerships, and a relentless pursuit of excellence. With strong fundamentals and a forward-looking strategy, the Company is well-positioned to deliver sustainable value for all stakeholders and redefine leadership in an evolving mobility ecosystem.

6+

Decades of Experience in Auto Component Manufacturing

30+

Clientele of Original Equipment Manufacturers (OEMs) across the Globe

2

Joint Ventures as International Technology Tie-ups

50+

Years of Consistent Dividend Payout History



Global Legacy of Innovation and Quality in Automotive Components

Since its establishment in 1956, Talbros Automotive Components Limited (also referred to as 'Talbros,' 'The Company') has been committed to delivering superior-quality products to customers worldwide. The Company strongly emphasises on precision and continuous improvement, consistently enhancing the value of its offerings while fostering long-term, trust-based relationships with clients.

The Talbros Group has collaborated with leading global partners having world-class technology. These strategic alliances have been instrumental in enabling the Company to consistently deliver high-quality products to customers across diverse markets.

Through its standalone operations and joint venture partnerships, the Company offers a comprehensive product portfolio that spans sealing solutions; Noise, Vibration, and Harshness (NVH) components such as heat shields; plastic parts; forged and machined components; chassis and suspension systems; Body-in-White (BIW) components; anti-vibration products; molded and extruded hoses. Certain products, like heat shields and forged components, are manufactured entirely in-house, while others draw on the expertise and capacity of joint ventures.

These products cater to a wide range of automotive and non-automotive applications, including passenger and commercial vehicles, two- and three-wheelers, agricultural equipment, and industrial machinery. This combination of technical expertise, manufacturing capability, and innovation has positioned Talbros as a trusted partner to OEMs and customers worldwide.



VISION

Talbros Group's endeavour is to be a significant global player in the auto industry by being a brand of choice for all our customers and continuously enhancing employee satisfaction and stakeholder value.



MISSION

Gasket and Heat Shield

To be committed to foster and uphold our leadership in providing comprehensive sealing solutions at economical prices to our customers across all manufacturing sectors while sustaining a rewarding work environment for our supreme assets, our employees, nurtured by strong brand image and pioneering narrations.

Forging

To develop a wide range of market-driven products for auto/non-auto customers through timely delivery of quality products by having trained human resources and customer-oriented work culture.

Certifications



IATF 16949:2016



ISO 14001:2015



ISO 45001:2018



ISO 45001 - OHSAS

Also certified by the third-party audit as an asbestos-free and environment-friendly manufacturer

Stature

2,000+

Workforce

6

Product Lines

9

Plants

1

R&D Centre



Gaskets and Heat Shield Plant

Faridabad, Haryana (Plant and R&D Centre)
Pune (Plant I and II), Maharashtra
Sitarganj, Uttarakhand



Forging Plant

Bawal, Haryana



Marelli Talbros Chassis Systems Private Limited Plant

Faridabad, Haryana
Manesar, Haryana
Pune, Maharashtra



Talbros Marugo Rubber Private Limited Plant

Bawal, Haryana

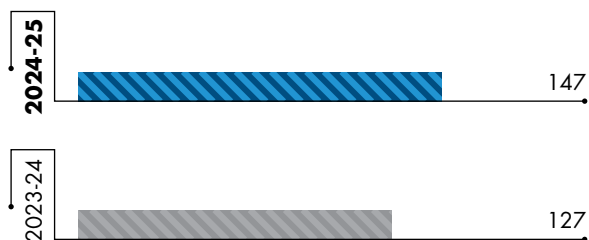
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Insights into Financial Health

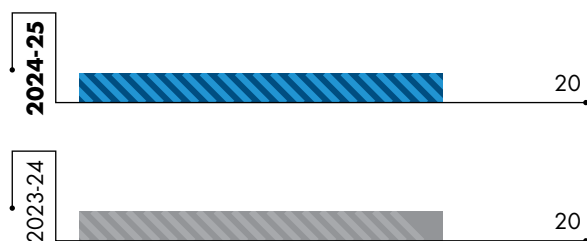
Despite facing adversities in the macroeconomic environment, Talbros has demonstrated resilience and growth by adhering to robust strategies and building upon its future-focussed vision. The Company's strong performance in Financial Year 2024-25 reflects disciplined financial management, strategic investments in capacity and technology, and operational efficiency. These factors have collectively contributed to sustained revenue growth, margin improvement, and enhanced profitability.

By effectively navigating market challenges and capitalising on emerging opportunities, such as expanding product portfolios, deepening OEM relationships, and advancing in the EV segment, Talbros has maintained a solid foundation for long-term success. The Company remains committed to sustaining growth, enhancing value for stakeholders, and positioning itself strongly for the evolving demands of the global automotive industry.

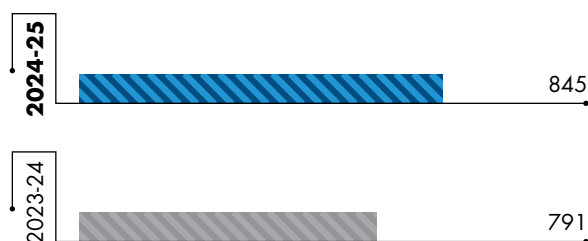
EBITDA (₹ in Crores)



RoCE (in %)

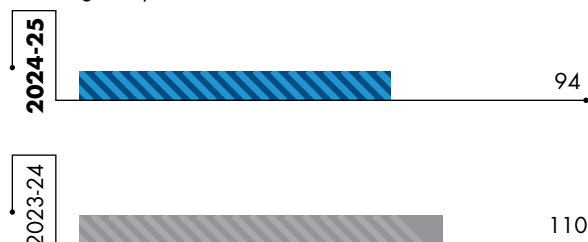


Total Income (₹ in Crores)



PAT (₹ in Crores)

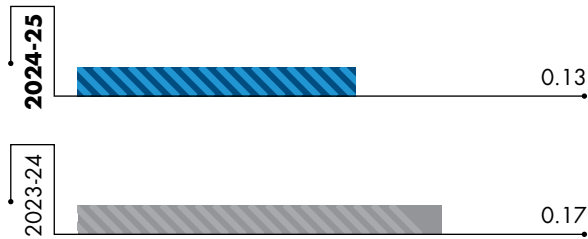
Including exceptional items



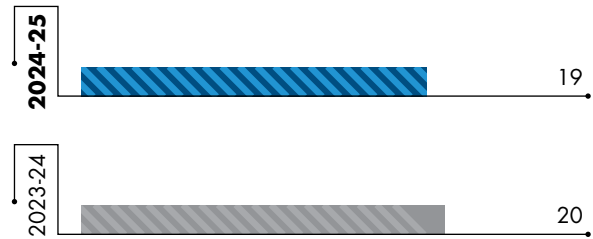
Excluding exceptional items



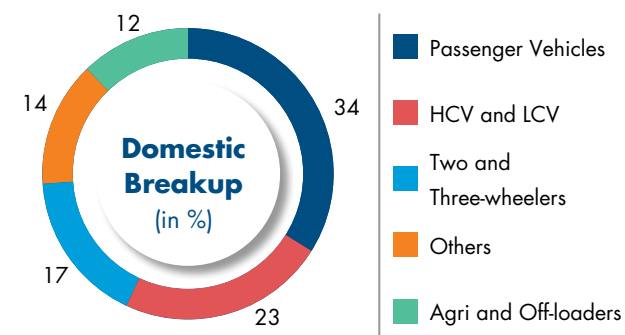
Debt/Equity (x)



ROE (in %)

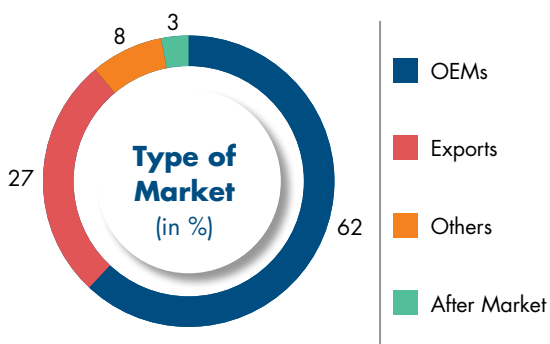
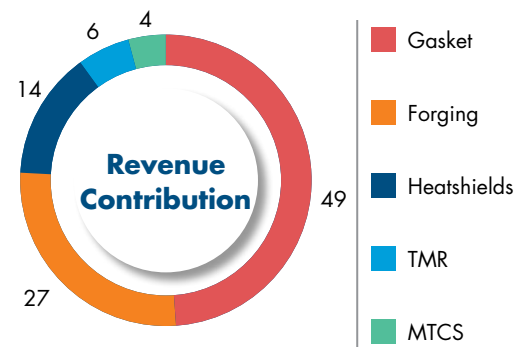


Performance Highlights of 2024-25 Across Varied Segments



Risk-Adjusted Portfolio

(Revenue Contribution)



Leading with Purpose



Our consolidated total Income for the year stood at ₹844.7 Crores, marking a healthy 7% growth over the previous year. More significantly, we recorded our highest-ever EBITDA at ₹147.3 Crores, up 16%, with margins expanding to 17.4%.

Dear Shareholders,

It is with immense pleasure that I present the 68th Annual Report of Talbros Automotive Components Limited for the Financial Year 2024-25.

Reflecting on our journey, every milestone we achieve is born from a vision that is rooted in engineering excellence, fuelled by innovation, and driven by long-term strategy. At Talbros, this vision has consistently

guided our journey from being a trusted auto component manufacturer to a future-ready automotive solutions partner.

In a rapidly transforming mobility landscape, where vehicles are getting smarter, greener, and more connected, we remain steadfast in our commitment to strategic excellence. Our collaborations, technology pivots, and customer-first mindset have not

only fortified our market leadership in India but are also opening new global avenues.

The year 2024-25 was not only the beginning of a new financial year, but also marked a significant step forward in our journey from vision to victory. During this period, every decision was deliberate, every partnership strategic, and every innovation aligned with our purpose of creating enduring value.

It is my privilege to share with you the progress we have made, the resilience we have shown, and the road that lies ahead.

Macroeconomic Landscape

In 2024-25, India's macroeconomic environment continued to exhibit robust growth, with the country outpacing major global economies by registering a real GDP growth of 6.5%. This strong performance is underpinned by resilient domestic demand, expanding investments, and sound macroeconomic management. This includes a significant easing of inflation to 2.82% by May 2025, the lowest in over five years. Foreign exchange reserves reached US\$ 702.78 Bn, and foreign direct investment inflows grew by 14% year-on-year to US\$ 81.04 Bn, signalling strong global confidence. Despite ongoing global volatility and geopolitical uncertainties, India's sustained reforms and infrastructural initiatives have created a conducive environment for industrial growth and innovation.

The Indian automotive industry also delivered remarkable performance during the year. Domestic vehicle sales surged 7.3%, reaching a

market valuation of ₹22 Lac Crores. Total vehicle sales hit 26.1 Mn units, led by a historic high in passenger vehicle sales crossing 4.3 Mn units, with SUVs accounting for 65% of that segment. On the export front, the sector saw shipments rise by 14.6% to 7,70,000 vehicles. Government policies, favourable market dynamics, and continuous product innovation have supported this growth. However, challenges such as underutilised capacity, currently around 55-60%, and tightening emission norms in entry-level motorcycles remain relevant considerations.

In addition, India's EV sector surged forward in 2024-25, with EV sales exceeding 2 Mn units, comprising 7.7% of total vehicle sales. High-speed electric two-wheelers accounted for nearly 60% of EV sales, supported by major OEMs such as Ola Electric and TVS Motors. Market penetration reached 6.6% by August 2024, bolstered by government initiatives including the FAME-II scheme and targeted subsidies aimed at electrifying transport and enhancing battery infrastructure. The sector's momentum is expected to continue, with projections estimating the EV

market size to reach US\$ 113.99 Bn by 2029, positioning India as a global hub for sustainable mobility.

These macroeconomic and industry dynamics have directly created favourable tailwinds for Talbros. The Company's ability to serve the full spectrum of automotive segments, from two-wheelers and passenger vehicles to commercial and off-road vehicles, enables us to effectively capture expanding market opportunities. Talbros' dedication to advanced technology and EV readiness, demonstrated by ongoing investments in future-ready components and securing multi-year global contracts, aligns us strongly with the industry's transition to electrification.

Further strengthening our position, Talbros leverages robust joint ventures and continuous capacity expansions to scale operations and meet rising demand efficiently. The Company's operational resilience, combined with an adaptable approach to resource optimisation and margin enhancement, equips us to navigate challenges such as regulatory changes and market fluctuations while sustaining growth.

Financial Highlights

Our consolidated total Income for the year stood at ₹844.7 Crores, marking a healthy 7% growth over the previous year. More significantly, we recorded our highest-ever EBITDA at ₹147.3 Crores, up 16%, with margins expanding to 17.4%, reflecting our continuous emphasis on cost efficiencies, operational discipline, and premiumisation of our product mix. Our Profit After Tax (PAT) before exceptional items, grew by 14% to ₹94.4 Crores, highlighting both financial robustness and operational maturity.

We secured ₹1,475 Crores in new orders during 2024-25, across all divisions and JVs. Nearly 40-45% of the order book is already under execution as of the beginning of 2025-26, while another ~30% is scheduled to commence execution by 2025-26. Importantly, this includes multiple EV orders (worth ~₹280 Crores) and export orders (worth ~₹560 Crores), supporting our diversification strategy.

The Company remains focussed on sustaining growth momentum through timely execution of orders, expansion of capacities, and diversification into high-potential segments. This ensures steady progress towards our long-term strategic objectives. Our targeted CAGR growth of 13% in gaskets and 23% in forgings, alongside our export ambition to 35%+ of revenue (currently at 27%), reinforces our roadmap.

Capex for 2024-25 stood at ₹45 Crores, with a similar level planned for 2025-26. Our new Pune plant

Sources:

<https://www.pib.gov.in/PressNoteDetails.aspx?NotelD=154840&ModuleId=3>
<https://www.india-briefing.com/news/economic-survey-of-india-2024-25-key-highlights-36004.html/>
<https://ddnews.gov.in/en/indias-economic-growth-stands-out-amid-global-volatility/>
https://mospi.gov.in/sites/default/files/press_release/NAD_PR_30may2025.pdf
<https://www.motoring-trends.com/cover-story/indias-auto-industry-rides-the-momentum-record-highs-renewed-optimism-mark-fy-2024-25>
<https://www.infomercs.com/admin/uploads/automobile-industry-apr25.pdf>
<https://www.pib.gov.in/PressNoteDetails.aspx?NotelD=154025&ModuleId=3>
<https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=579>
<https://evreporter.com/analysis-of-indias-cy-2024-ev-sales/>
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2114919>

is commissioned and will be fully operational in Q2 2025-26 and on course to generate ₹60–70 Crores from 2026-27. The new Marelli facility for a large Stellantis order is scheduled for commissioning, further strengthening our JV's capacity and visibility.

We remain a fundamentally strong company with a RoCE of 19.6% and RoE of 18.8% in 2024-25. Our Debt-to-Equity stands at a conservative 0.13, giving us ample room to invest in capacity, innovation, and people.

Business Segment Overview

Our Gasket and Heat Shield division maintained its market leadership with ~50% market share, backed by solid growth across 2W, agri and off-highway, HCV and LCV segments. Total Income from this division grew by 8% to ₹556.3 Crores, while EBITDA improved by 18% to ₹96.2 Crores in 2024-25. A notable highlight was the scaling up of our Heat Shield business, which clocked revenues of ₹51.6 Crores in 2024-25. We successfully commenced supplies to marquee OEMs like Maruti Suzuki, Hyundai Motors, and Tata Motors for cabin shielding, and have secured new Heat Shield orders worth ₹245 Crores. Our focus now is on developing next-gen shielding solutions for battery heat and noise insulation, critical for EV safety and efficiency.

Talbro's is strategically moving towards manufacturing heavier forged parts to cater to increasing demand from both domestic and international markets, including Europe. This move is integral to our goal of expanding revenue and strengthening our product portfolio. The Company has installed high-capacity forging presses (2,500 tonne) enabling us to produce heavier components with hot forging



During the year, we witnessed healthy momentum across our businesses, underpinned by strong domestic demand, steady new order inflows, and expanding engagements with both Indian and global OEMs.

techniques. We are in discussions with Indian and European Tier-1 customers to supply these heavier forged products, which is a growing segment in the forging industry.

This transition towards heavier forgings ties into Talbro's broader vision to diversify and enhance our product mix, including forging parts for various vehicles such as commercial vehicles (CVs), passenger vehicles (PVs), EVs, and off-highway applications. The Company aims to leverage this shift to increase revenue, with heavier forgings estimated to contribute about ₹35 Crores annually as part of our longer-term growth strategy.

This focus on heavier forged parts aligns with our integration of advanced manufacturing capabilities, including in-house tool design, machining, heat treatment, and quality control systems. This enables us to cater to high-end, value-added forged components with better localisation to improve cost efficiencies and competitiveness in export markets.

Our Forging division delivered a resilient performance despite headwinds in the export markets, especially Europe. Total Income grew by 4% to ₹289.6 Crores, and EBITDA by 11% to ₹52.3 Crores, supported by value-added parts. We made promising inroads into the EV ecosystem with ₹22.5 Crores in EV revenues during the year. Business

from a major UK-based Off-Roader also ramped up, and we continue to develop heavier, higher-margin forgings aligned to emerging vehicle platforms.

Our JV with Marelli posted an impressive 10% total income growth to ₹285 Crores, with EBITDA rising by 28% to ₹45.9 Crores. The big milestone this year was winning multi-year orders worth ~₹1,000 Crores for suspension arms from global OEMs across EMEA and NAFTA, covering both ICE and EV models. These will commence commercial production from the second half of the financial year and significantly strengthen our global position. The JV has also started new RFQs with major OEMs to cater to the increasing demand for EV chassis systems, signalling a promising runway ahead.

Talbro's Marugo Rubber Private Limited (TMR) delivered solid topline and a remarkable turnaround in profitability. Total Income grew by 6% to ₹130.1 Crores, while EBITDA jumped by 77% to ₹16.5 Crores, led by process efficiency, and stable raw material prices.

Operational Highlights

During the year, we witnessed healthy momentum across our businesses, underpinned by strong domestic demand, steady new order inflows, and expanding engagements with both Indian and global OEMs.

We continued to witness increasing traction in our heat shield business, with successful supplies to key OEMs and a robust pipeline of next-generation shielding solutions under development. Our strategic bets on electrification are translating into meaningful business wins, and we have already commenced supplies of EV-specific components across multiple product categories. A significant portion of our new order book now stems from EV platforms, a testament to our evolving capabilities and future readiness.

On the export front, while certain global markets remained subdued, our long-term customer engagements, localisation efforts, and new project additions helped offset near-term challenges. Our export contribution grew during the year and we remain focussed on scaling our international business in line with our aspiration to increase exports to over 35% of revenue in the coming years.

Operationally, the Company made significant progress on its capacity and infrastructure front during 2024-25. The new Pune facility will be functional in Q2 2025-26. This plant enhances Talbros' manufacturing capabilities with advanced hydraulic presses, and assembly lines, enabling us to serve premium segments and respond quickly to market requirements.

Separately, the upcoming chassis systems plant, developed in collaboration with the joint venture partner Marelli under the Marelli Talbros Chassis Systems (MTCS) JV, is close to commissioning. This state-of-the-art facility significantly augments Talbros' capacity and technical expertise in producing critical chassis components such as control arms, suspension links, and body-in-white parts. Approximately half of the orders

secured for this plant are linked to EV platforms, reinforcing the Company's strategic alignment with the EV ecosystem.

Together, these capacity expansions and infrastructure investments play a crucial role in supporting Talbros' recently secured multi-year orders from marquee global OEMs. They boost operational efficiency, facilitate timely execution, and provide the flexibility needed to innovate and diversify product offerings. These developments underpin the Company's vision of becoming a leading, technology-driven player across all automotive segments, ensuring sustained growth and value creation amid evolving industry dynamics.

Our customer base continued to diversify during the year. Alongside long-standing relationships with industry leaders such as Maruti Suzuki, Tata Motors, Bajaj Auto, and JCB, we are now engaging with new clients across Europe, North America, and emerging EV platforms.

As Talbros looks ahead, our operational priorities are around building technological depth, increasing localisation and cost efficiency, and deepening partnerships with OEMs to sustain competitive advantage.

In addition to executing our robust order book with precision, we continue to expand our exports, which form a significant part of our revenue mix. At Talbros, we leverage our diversified product portfolio and presence across automotive segments, including passenger vehicles, commercial vehicles, two- and three-wheelers, and emerging EV platforms, to drive growth across both domestic and international markets. This diversification not only mitigates risks but also strengthens Talbros' resilience

amid market fluctuations.

Our strategic focus on innovation, supported by advanced technology investments and capacity expansions through strong JVs, enables us to meet increasing global demand while optimising operational efficiencies. Continued localisation efforts further enhance cost competitiveness and supply chain robustness. Together, these initiatives reinforce Talbros' ability to deliver sustainable, long-term value across markets and product lines, reinforcing our position as a trusted partner to marquee global OEMs.

In conclusion, 2024-25 was a year where we demonstrated our ability to stay the course, even as global headwinds tested the sector. Our performance is a result of focussed execution, technology-led innovation, and strategic collaborations. As we continue our journey from **Vision to Victory**, I am confident that Talbros is positioned not just to participate in the future of mobility, but to shape it.

I remain grateful for the trust and support of our customers, partners, employees, and shareholders.

Warm Regards,

Naresh Talwar

Chairman

Talbros Automotive Components Limited

Gasket and Heat Shield Business

With a legacy spanning over six decades, Talbros has evolved into a trusted name in the global mobility landscape. What began in 1956 as a commitment to quality has grown into a robust ecosystem of innovation, precision engineering, and global partnerships.

The Company's core strength lies in its ability to serve the entire breadth of the automotive industry. From two-wheelers to heavy commercial vehicles, from agricultural and construction equipment to off-road applications, Talbros is built to meet the demands of every segment, with agility and technical depth.

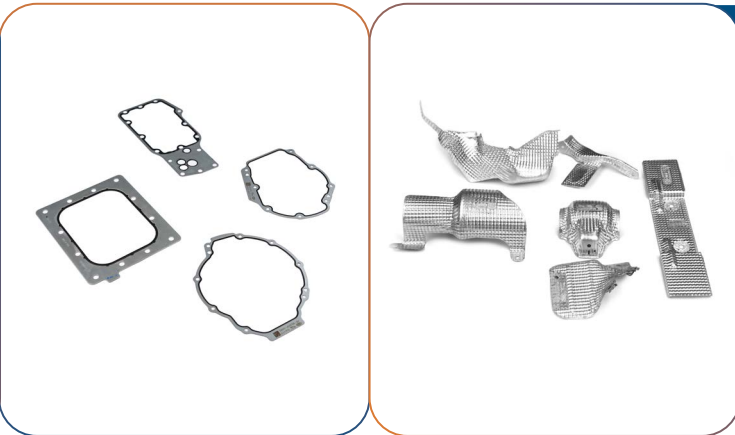
Supported by strategic technical collaborations and state-of-the-art manufacturing facilities, the Company offers a diversified product portfolio that spans sealing systems and gaskets, heat shields for NVH solutions, and plastic moulded components.

This comprehensive offering enables Talbros to support leading OEMs and Tier-1 suppliers across global markets, ensuring performance, consistency, and compliance with international standards.

The Company's success is rooted not only in advanced technology but also in its people, partnerships, and purpose. Over the years, Talbros has built enduring relationships with some of the world's most respected automotive brands, while continuing to invest in top-tier talent and cutting-edge infrastructure. Talbros goes beyond manufacturing to create value through intelligent engineering, lean processes, and a relentless focus on customer needs. Its aim is to stay ahead of industry trends by focussing on lightweight, future mobility needs and sustainable, scalable manufacturing.

Talbros believes that the future belongs to companies that can adapt swiftly, collaborate effectively, and lead with integrity. Looking forward, Talbros remains committed to turning challenges into opportunities and powering progress across every vehicle platform, every mile of the journey.





Product Range

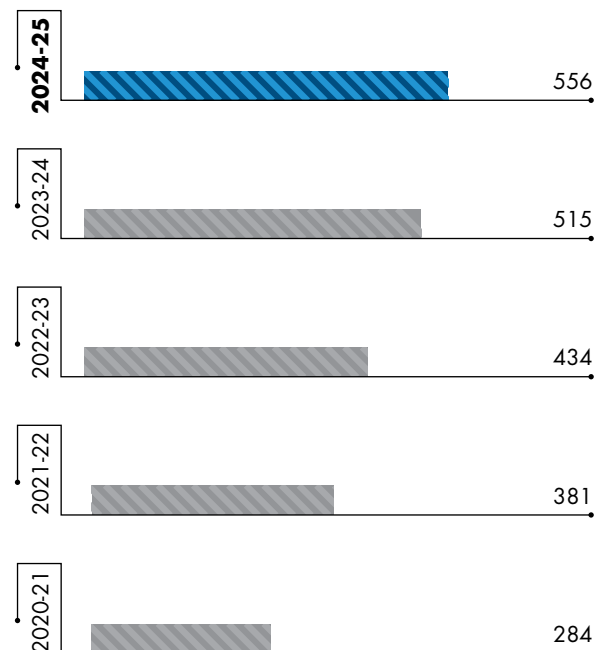
- ◆ Multi-layer Steel (MLS) Gaskets
- ◆ Gaskets with Integrated Electrical Control
- ◆ Post-coated and Selective Area Coated Gaskets
- ◆ Exhaust and High-temperature Application Gaskets
- ◆ Rubber and Edge-molded Gaskets
- ◆ Fiber Gaskets
- ◆ Heat Shields for NVH and Thermal Management
- ◆ Plastic Moulded Components



Key Highlights of the Year

- ◆ Continued to gain attraction in ICE and EV business
- ◆ Developed sealing for critical applications
- ◆ Acquired new business from all segments of industry

Total Income from Gasket and Heat Shield Business (₹ in Crores)



Forging Business

The Indian forging industry is experiencing strong growth, driven by the expanding automotive, aerospace, and construction sectors, as well as government initiatives like 'Make in India.' This growth is further fuelled by increased demand for lightweight and high-strength components, particularly in the automotive industry, and advancements in forging technologies. The market is projected to grow at a CAGR of 9.8% between 2025 and 2031.

India has emerged as the second-largest forging industry in the world, showcasing its strength, resilience, and technical prowess. With significant contributions to domestic and international markets, India's forging industry is a key driver of economic progress and innovation. However, companies must continue to invest in innovation, quality, and sustainability to stay competitive.

Forging is a crucial process in manufacturing that involves shaping metal using compressive forces, typically delivered by mechanical press or screw press. The Indian forging industry is one of the largest in the world, known for its strength, resilience, and technical prowess.

The Company's Forging Plant at Bawal is equipped with state-of-the-art tooling design and its manufacturing, forging, heat treatment, and machining capabilities. The Company has 21,000 metric tonnes of forging capacity and can make parts ranging from 150 grams to 30 kilograms, with increased depth of manufacturing. This gives Talbros an

edge in terms of getting new customers and serving them better with agility. Over the years, Talbros has grown to become a well-known manufacturer and exporter of high-precision machined components with in-house forging facility. The Company offers forged and machine components for a wide range of customers in the automotive, agriculture and off-highway vehicle industries.

The Company is increasing its focus on exports and expanding geographies, Forging Division added key Tier-1 customer base in Brazil, Mexico, and Belgium. This is expected to significantly enhance revenue in the times ahead. Referring to global demand coupled with infrastructure growth, as a strategy, the Company is focussing more on CV and off-highway business which consumes heavier components with added depth of manufacturing.

Referring to strong confirmed orders and business in pipeline, the Company is in line to grow forging division. Towards this end, it has added Surface Milling Machine to meet global quality standards and also ordered new Forging Equipment to meet demand. For this, the Company has orders in hand from customers.



Product Range

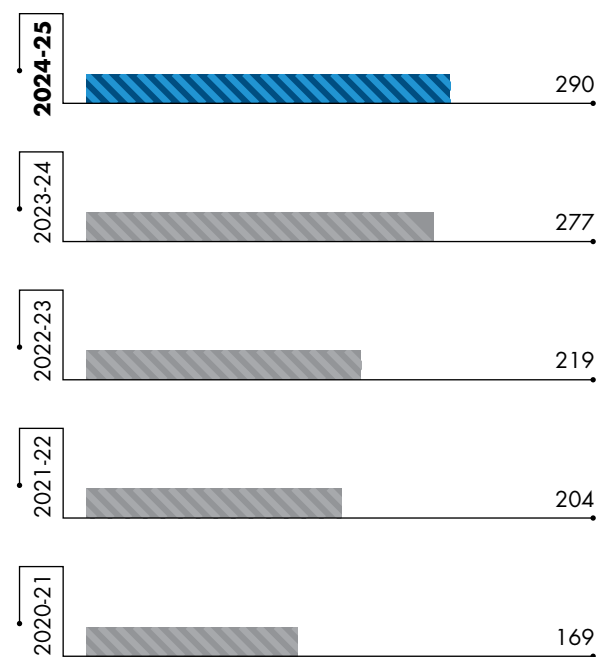
- ◆ Towing Solutions
- ◆ Intermediate Shaft and Differential Housing
- ◆ Companion Flanges
- ◆ Tube and Flange Yokes
- ◆ Hydraulic End Cap and Rod Eye
- ◆ Blank Ring Gears
- ◆ King Pin and Linear Cylinders

Key Highlights of the Year

- ◆ New Business of ₹22.48 Crores added in 2024-25 with a strong pipeline under final negotiation.
- ◆ Successfully supplied more than 0.7 Mn off-highway components in the UK and other parts of Europe.
- ◆ Further ramped up machining capacity through the addition of machining centres, and another 10 machining centres are in the pipeline.
- ◆ Addition of two new customers in South America.
- ◆ Expanded footprint to North America
- ◆ Product shift from forging supplies to machined component supplies.



Total Income from Forging Business (₹ in Crores)



Marelli Talbro's Chassis Systems Private Limited (MTCS)

Talbro's partnered strategically with Marelli Suspension Systems S.P.A., Italy, to establish the JV, Marelli Talbro's Chassis Systems Private Limited (MTCS), in 2012. This collaboration has enabled MTCS to develop and manufacture a range of chassis components for automotive applications, including control arms, suspension links, front cross member, rear twist-beam axle, cradle, wheel group, and semi corner module assemblies. The JV has emerged as the preferred source for chassis and body-in-white components for top OEMs in India. The Company has acquired several new orders during the year with SOP starting 2025-26 onwards. Many of these are for control arms for a European OEM serving its EMEA and NAFTA markets, as well as BIW components that will be supplied for BEV platforms in European vehicles. To meet the capacity requirements of new launches by Maruti Suzuki, MTCS is expanding its assembly plant at Manesar to a larger facility in the vicinity, while also expanding its warehouse capacity in Bangalore and planning to start a new warehouse at Kharkhoda in 2025-26.

The JV is committed to achieving its ESG objectives. As a major step towards reducing the carbon footprint, MTCS is increasing the use of non-conventional resources of energy i.e. solar power system year on year. The solar capacity was increased from 455 kWp in 2023-24 by an additional 600 kWp during 2024-25, bringing the total capacity to 1,055 kWp.

MTCS achieved an all-time-high total income of ₹ 285 Crores, recording a growth of 10% over previous year and has achieved 51% improvement in PAT. With a focus on exports and expansion in the EV segment, MTCS aims to achieve substantial revenue growth, more diversified customer base, supply to newer markets and improve its EBITDA margin profile by 2026-27.

MTCS plans a capex investment of approximately ₹ 90 Crores in 2025-26 funded by a combination of internal accruals and debt.



Product Range

- ◆ Suspension Front Lower Control Arms
- ◆ Suspension Links
- ◆ Front Sub Frames
- ◆ Rear Twist Beam Axles
- ◆ Front EV Cradle
- ◆ Rear Cradle
- ◆ Wheel Group and Semi Corner Module Assemblies
- ◆ Body-in-white Parts and Assemblies in Steel and Aluminium

Awards and Certifications

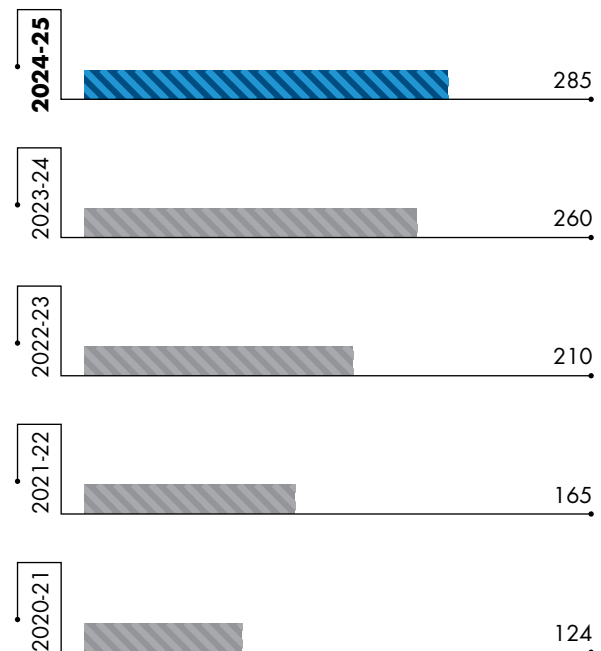
- ◆ **ACMA Excellence Award in the Medium Enterprises Category**
 - Platinum Award: New product design and development (NPDD) and localisation
 - Platinum Award: Export
- ◆ **Overall Performance Award** from Maruti Suzuki for 2024-25
- ◆ **Silver** for quality by Bajaj Auto



Key Highlights of the Year

- ◆ The Company secured new orders with SOPs scheduled to commence in 2025-26 for control arms for a European OEM serving its EMEA and NAFTA markets, as well as for a domestic OEM for its new launch.
- ◆ BIW components to be supplied for BEV platforms for European vehicles.
- ◆ Expansion of assembly plant at Manesar to meet the capacity demands of new launches by Maruti Suzuki.

Total Income from Marelli Talbros Chassis Systems (₹ in Crores)



₹285 Crores
Total Income

₹143 Crores
Talbros Share in
2024-25

₹29 Crores
PAT 2024-25

Talbro's Marugo Rubber Private Limited (TMR)

In 2012, Talbro's, India, formed a strategic JV with Marugo Rubber Industries Limited, Japan, leading to the establishment of Talbro's Marugo Rubber Private Limited (TMR). This collaboration combines the strengths of Indian engineering ingenuity with Japanese precision, creating a formidable presence in the automotive component industry.

Specialising in cutting-edge products such as suspension bushes, strut mounts, engine mounts, and hoses, the Company leverages advanced manufacturing technologies, including injection moulding, vacuum transfer injection molding, high-performance kneaders, sandblasting systems, and phosphating adhesive spray lines.

TMR contributes its global expertise to anti-vibration solutions and hose systems, reinforcing the JV's commitment to innovation and quality. Commencing production in February 2013, TMR has maintained a sharp focus on OEMs, particularly Maruti Suzuki India Limited.

The venture proudly serves a prestigious clientele, including Maruti Suzuki, QH Talbro's, Daimler India Commercial Vehicles Private Limited and Suzuki Motors Gujarat Private Limited.

Product Range

1 MOUNTS

- ◆ Mounting Muffler Hanger
- ◆ Suspension Bushes
- ◆ Body Mounts, Cab Mounts
- ◆ Leading and Trailing Arm Bushes
- ◆ Silicone Muffler Hanger

2 HOSES

- ◆ Air, Fuel, and Water Hoses (Extrusion Hoses)
- ◆ Air Cleaner Hoses (Moulded Hoses)





₹130 Crores
Total Income

₹65 Crores
Talbro's Share in
2024-25

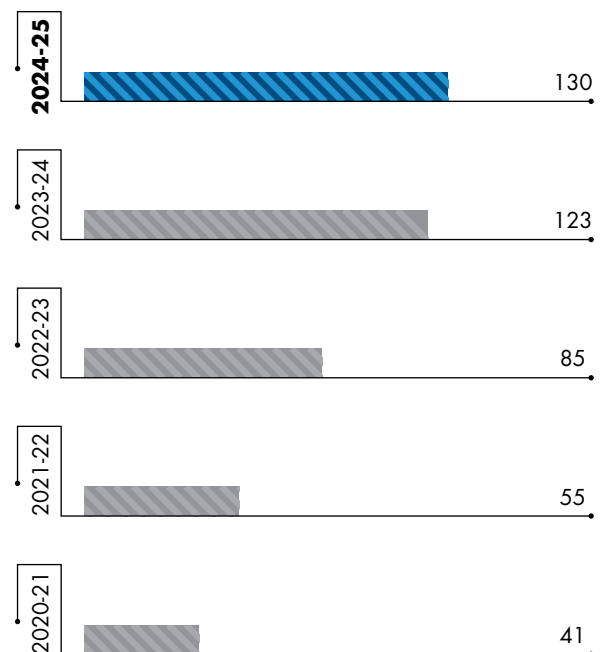
₹7 Crores
PAT in 2024-25



Key Highlights of the Year

- ◆ **New Orders:** TMR has secured additional orders from Maruti Suzuki, India's largest OEM, further reinforcing its strategic partnership with a key player in the automotive industry.
- ◆ **Successful SOP of Silicon Hanger:** Achieved a successful Standard Operating Procedure (SOP) for Silicon Muffler Hanger from Maruti Suzuki models, ensuring high-quality production standards.
- ◆ **Significant Increase of SOB:** TMR is in the process of finalising new models' suspension armed bush (rear) and is expecting SOP from August 2025 and will increase the quantities significantly.
- ◆ **Diversification:** The Company has diversified its product portfolio by introducing Battery Hoses, specifically designed for EVs.
- ◆ **Expanded Portfolio:** The portfolio has been expanded through collaborations with leading domestic OEMs, with the Company's growing footprint in the Indian automotive market.

Total Income from Talbro's Marugo Rubber (₹ in Crores)



TALBROS AUTOMOTIVE COMPONENTS LIMITED

CIN: L29199HR1956PLC033107

Registered Office: 14/1, Delhi-Mathura Road, P.O. Amar Nagar
Faridabad-121003, Haryana

Tel No.: 0129- 4960482, Website: www.talbro's.com, Email: seema_narang@talbro's.com

NOTICE

NOTICE is hereby given that the **68th Annual General Meeting (AGM)** of the members of Talbro's Automotive Components Limited will be held on **Thursday September 25, 2025 at 12:30 p.m.** through **video conferencing/ other audio visual means (VC/OAVM)** to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2025 and the Reports of the Board of Directors and Statutory Auditors thereon.**

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2025 including the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon be and are hereby received, considered and adopted."

- To confirm payment of Interim Dividend @ 10% i.e. ₹0.20p per equity share for the Financial Year ended on March 31, 2025.**

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Interim Dividend @ 10 % i.e. ₹0.20p per fully paid-up equity share of ₹ 2/- each of the Company for the financial year 2024-25, as approved by the Board of Directors at their meeting held on November 14, 2024 and already paid to the shareholders, be and is hereby noted and confirmed."

- To declare Final Dividend @ 25% i.e. ₹ 0.50p per fully paid-up equity share for the Financial Year ended on March 31, 2025.**

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Final Dividend @ 25% i.e. ₹ 0.50p per fully paid-up equity share of ₹ 2/- each, of the Company for the financial year 2024-25 as recommended by the Board of Directors, be and is hereby declared and the same be paid out of the profits of the Company to the members whose names appear in the Register of member/Beneficial owners as on September 12, 2025."

- To appoint a Director in place of Mr. Varun Talwar (DIN: 00263984) who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, if any (including any statutory modifications or re-enactments thereof) and the Articles of Association of the Company, Mr. Varun Talwar (DIN: 00263984) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

- To appoint a Director in place of Mr. Anuj Talwar (DIN: 00628063) who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, if any (including any statutory modifications or re-enactments thereof) and the Articles of Association of the Company, Mr. Anuj Talwar (DIN: 00628063) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Notice (Contd.)

SPECIAL BUSINESS:

- 6. To consider and approve re-appointment of Mr. Tarun Singhal (DIN: 07056960) as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2025.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time and on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Tarun Singhal (DIN: 07056960), who was appointed as an Independent Director at the 63rd AGM of the Company for a term of five years and who holds office up to September 24, 2025 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Act and is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from September 25, 2025 up to September 24, 2030.

RESOLVED FURTHER THAT Mr. Tarun Singhal shall continue to hold office of an Independent Director as soon as he is reappointed and such reappointment as Director shall not be deemed to constitute a break in his appointment as an Independent Director.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

- 7. To consider and approve the material related party transactions with M/s. QH Talbros Private Limited for Sale/Purchase of Company's products during the Financial Year 2025-26.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 2(76), 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s) thereof for the time being in force), the Company's Policy on Related Party Transactions and based on the recommendation of the Audit Committee, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into Material Related Party transaction(s) and/or carrying out and/or continuing with contracts/arrangements/transactions with M/s QH Talbros Private Limited (QHT), a related party, for Sale/ Purchase of Company's products including but not limited to Forgings and other Auto Parts upto maximum amount of ₹ 95.00 Crores exclusive of applicable taxes, during the financial year 2025-26 and the transaction with QHT upto the date of this AGM be and are hereby ratified.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

- 8. To consider and approve the appointment of Kiran Sharma & Co., Practicing Company Secretaries as Secretarial Auditor of the Company for a term of five consecutive years.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions of Act, 2013, if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Notice (Contd.)

Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors of the Company, Kiran Sharma & Co., Practicing Company Secretaries (CP No. 3116 and Peer Review No. 1236/2021) be and are hereby appointed as Secretarial Auditor of the Company for a term of 5 (Five) years, from Financial Year 2025-26 to Financial Year 2029-30, at such remuneration as may be mutually agreed between the Secretarial Auditor and Board of Directors of the Company.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be considered necessary, proper and expedient for the purpose of giving effect to this resolution.”

9. To ratify the remuneration of Cost Auditors.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the

Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration payable to M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026 amounting to ₹ 1.75 Lacs exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

**By Order of the Board
For Talbros Automotive Components Limited**

Place: Gurugram
Date: May 26, 2025

**Sd/-
Seema Narang
Company Secretary**

Notice (Contd.)

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), which sets out details relating to Special Businesses at the meeting, is annexed hereto.

The relevant details, pursuant to applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on general meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at this AGM is annexed as **Annexure-1**.

2. **Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 03, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.**

Registered Office of the Company at 14/1, Delhi-Mathura Road, P.O. Amar Nagar, Faridabad-121003, Haryana shall be deemed to be the venue for the AGM.

3. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/ OAVM FACILITY, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.**

ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO NOTICE OF THE 68TH AGM.

Institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting pursuant to section 113 of the Companies Act, 2013 on evoting@nsdl.com and seema_narang@talbros.com.

4. The Company has engaged National Securities Depositories Limited ("NSDL") for facilitating voting through electronic means (remote e-voting), providing facility of participation in the 68th AGM through VC/OAVM and e-voting during the 68th AGM. The instructions for participation by Members are given in the subsequent paragraphs.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website www.evoting.nsdl.com under the 'Downloads Section'. You can also contact NSDL at 022 - 4886 7000 or Ms. Pallavi Mhatre, Senior Manager NSDL, at designated e-mail IDs: evoting@nsdl.com, who will address the grievances related to electronic voting.

The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In accordance with the aforesaid MCA Circulars, the Notice of the AGM along with the 68th Annual Report of the Company is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Notice of the AGM along with the 68th Annual Report to only those Members who request the same at seema_narang@talbros.com mentioning their Folio No. / DP ID and Client ID.

Notice (Contd.)

Also, pursuant to Regulation 36(1)(b), a letter providing the web-link for accessing the Annual Report, including the exact path, will be sent to those shareholders who have not registered their e-mail address with the Company/ RTA/ Depository Participants.

7. **Members may also note that the Notice of the 68th AGM and the Annual Report for financial year 2024-25 are available on the website of the Company www.talbro's.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and on the website of NSDL i.e., www.evoting.nsdl.com**
8. **Members desiring any information relating to the annual accounts or any document pertaining to the explanatory statement are requested to send an email to the Company at seema_narang@talbro's.com at least ten (10) days before the AGM.**
9. **The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the Depositories/RTA as on Friday, August 22, 2025.**
10. Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM, will be payable to those Members whose names appear in the Register of Members of the Company, as at the close of **Friday, September 12, 2025 (the Record Date)** as per the beneficial ownership data to be furnished by NSDL/ CDSL/RTA for the purpose and in respect of shares held in physical form after giving effect to all valid shares transfers/ transmission(s), which are lodged with the Company / RTA before the record date.
11. In terms of the provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 01, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.
For resident members: Tax will be deducted at source ("TDS") under Section 194 of the Act (read with Press Release dated May 13, 2020) @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend

distributed to them by the Company during the financial year does not exceed ₹ 10,000/-.

Tax at source will **NOT** be deducted where a member provides Form 15G (applicable to Individual in case of dividend) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can also be downloaded from the website of the RTA viz. [Form15H.pdf \(kfintech.com\)](http://Form15H.pdf(kfintech.com))

The Permanent Account Number (PAN) will be mandatorily required. If PAN is not submitted, Tax at source will be deducted @ 20% as per Section 206AA of the Act.

In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

- **Insurance companies:** A declaration that they are beneficial owners of shares held.
- **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
- **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- **New Pension System Trust:** A declaration that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
- **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.
- **For non-resident members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge

Notice (Contd.)

and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:

- (i) Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;
- (ii) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;
- (iii) Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- (iv) Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- (v) Self-declaration of beneficial ownership by the non-resident member.

The documents referred to in point nos. (iii) to (v) can be downloaded from the website of the RTA viz.

[Tax Exemption Forms Registration \(kfintech.com\)](http://kfintech.com) and should send the aforementioned documents through e-mail to einward.ris@kfintech.com and rajeev.kr@kfintech.com.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident member.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident members receiving dividend up to ₹ 10,000/- or in case Form 15G / Form15H (as applicable) along with self-attested copy of the PAN is submitted.
 - 10% for resident members in case PAN is provided / available.
 - 20% for resident members, if PAN is not provided / not available.
 - Tax will be assessed on the basis of documents submitted by the non-resident members.
 - 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
 - Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.
-

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such tax deducted.

In the event the Company is unable to pay the dividend to any member directly in their bank accounts, the Company will dispatch the dividend warrant/ Bankers' cheque/ demand draft/etc. to such member, as the case may be at the earliest once the normalcy is restored.

Notice (Contd.)

All dividend remaining unclaimed/unpaid for a period of seven years from the date it became due for payment, will be transferred to the Investor Education and Protection Fund established by the Central Government. Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.

12. SEBI, through Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, has established a common Online Dispute Resolution (ODR) Portal for resolution of disputes arising in the Indian Securities Market through Online Conciliation, Mediation or Arbitration, which is in addition to the existing SCORES 2.0 portal which can be utilised by the investors and the Company for dispute resolution.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

13. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

14. **Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members are requested to send the following details/documents to the Company's Registrars and Transfer Agent ('RTA'), M/s KFIN Technologies Limited:

- a) Form ISR-1 along with supporting documents. The said form is available on website of the RTA at http://karisma.kfintech.com/downloads/2Form_ISR-1.pdf
- b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held

jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:

- i. Cancelled cheque in original, or
- ii. Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch
- iii. Self-attested copy of the PAN Card of all the holders; and Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

Shares held in Electronic form: The members are requested to update their bank details with their Depository Participants or Registrar and Transfer Agent (RTA) for the purpose of receiving dividend.

Nomination facility: In terms of Section 72 of the Companies Act, 2013 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form ISR-3 or Form SH-14 for cancellation/ variation as the case may be to the RTA.

The said form is available at <https://ris.kfintech.com/clientservices/isc/>

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company's RTA at <http://karisma.kfintech.com/downloads/Form-ISR-4.pdf> and on Company's website at <https://www.talbro's.com/>

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All Investor related communication may be addressed to the RTA/Company at the following address:

Company Address:	RTA Address:
Company Secretary & Compliance Officer Talbro Automotive Components Ltd. 14/1, Delhi Mathura Road, Faridabad –121003 Tel: +91-129- 4960456/4960482 Email: seema_narang@talbros.com	M/s KFIN Technologies Ltd., Unit: Talbro Automotive Components Ltd., Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Hyderabad 500032, India Email: rajeev.kr@kfintech.com

15. Register of contracts or arrangements in which directors are interested will be available at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.
16. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.
17. Members may please note that the unclaimed dividend in respect of the financial year 2017-18 must be claimed by the concerned members on or before **September 15, 2025**, failing which it will be transferred to the Investor Education & Protection Fund authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Members are requested to write to company/KFIN, for claiming unclaimed dividend.
18. Attention of the members is drawn to the provisions of Section 124(6) of the Act which requires a company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more in the name of IEPF Authority. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has intimated the shareholders whose shares are liable to be transferred in the name of IEPF Authority. Members are advised to visit the website of the Company www.talbros.com to ascertain such details.
19. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**
 - a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).
 - b) The members who have casted their vote by remote e-voting prior to the meeting may also participate in the meeting through VC/OAVM but shall not be entitled to cast their vote again.
 - c) The "cut-off" date for determining the eligibility for voting through remote electronic voting system is fixed as **Thursday, September 18, 2025**. The voting rights of the shareholders shall be in proportion to their shares on the total paid-up equity share capital as on the cut-off date.
 - d) Ms. Kiran Sharma, a practicing Company Secretary (Membership no. 4942), has been appointed as the scrutiniser to scrutinise the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
 - e) The Scrutiniser shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutiniser's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorised by him. The result along with the Scrutiniser's Report will be published on the website of the Company

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at www.talbro's.com and on the website of NSDL at www.evoting.nsdl.com. The results shall be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited, where the securities of the Company are listed.

OTHER INFORMATION RELATED TO REMOTE E-VOTING PROCEDURE-

The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	Monday, September 22, 2025 at 9:00 A.M.(IST)
End of e-voting	Wednesday, September 24, 2025 at 5:00 P.M. (IST)

The remote e-voting module shall be disabled by NSDL for voting thereafter.

The manner of voting electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



App Store



Google Play




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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note:

- Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

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B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is

your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at

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evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the

share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to seema_narang@talbros.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to seema_narang@talbros.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are requested to participate on first-come-first-served basis, as participation at the meeting through video conferencing will be limited to maximum of 1000 members. The meeting can be joined 30 minutes before the scheduled time of AGM and will be closed on the expiry of 30 minutes from the scheduled time of the AGM. However, there will be no such restrictions for participation at the meeting by large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
3. The procedure for e-Voting on the day of the AGM is same as the instructions for remote e-voting mentioned below.
4. Members are encouraged to join the Meeting through Laptops for better experience. Further, members will be

required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at seema_narang@talbros.com. by **Tuesday, September 16, 2025** (5.00 p.m. IST)

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and speakers depending upon the availability of time at the AGM.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website www.evoting.nsdl.com under the 'Downloads Section'. You can also contact NSDL at 022 – 4886 7000 or Ms. Pallavi Mhatre, Senior Manager, NSDL, at designated e-mail IDs: evoting@nsdl.com who will address the grievances related to electronic voting.

**By Order of the Board
For Talbros Automotive Components Limited**

Place: Gurugram
Date: May 26, 2025

**Sd/-
Seema Narang
Company Secretary**

EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 6 to 9 of the accompanying Notice dated May 26, 2025.

Item No. 6

Mr. Tarun Singhal (DIN: 07056960) was appointed as an Independent Director at the 63rd AGM of the Company for a term of five years and holds office up to September 24, 2025.

The Board, based on the satisfactory performance evaluation considers that given his background, rich experience and contributions, the continued association of Mr. Tarun Singhal would help the Company to achieve its objective of maximising shareholder worth and would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Tarun Singhal (DIN: 07056960) as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years with effect from September 25, 2025 up to September 24, 2030.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. Mr. Tarun Singhal is not debarred from holding the office of Director pursuant to any SEBI Order or any other such authority.

The terms and conditions of his appointment shall be available, electronically, for inspection by the members and also at the Registered Office of the Company during normal business hours on any working day till the conclusion of the AGM. Electronic copy of the draft Letter of Appointment of Mr. Tarun Singhal setting out terms and conditions shall be available in the heading - Board of Directors and its Committees under Investors section of the website of the Company at www.talbro's.com.

Mr. Tarun Singhal will not be entitled to receive remuneration except Sitting Fee for attending the Board and Committee meetings, as approved by the Board of Directors in addition to reimbursement of expenses incurred for participation in Board and Committee Meetings, if any.

The Explanatory Statement may also be regarded as a disclosure under SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015.

The details as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 along with brief profile of Mr. Tarun Singhal are mentioned in Annexure I to this Explanatory Statement.

Mr. Tarun Singhal does not hold any shares in the Company.

Except Mr. Tarun Singhal, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6.

Your Directors recommend the resolution at Item No.6 of the accompanying Notice for approval of the members as a Special Resolution.

Item No.7

QH Talbro's Private Limited (QHT) is an associate company and is a related party as per the provisions of Section 188 of the Companies Act, 2013, the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Both Talbro's Automotive Components Limited (TACL) and QHT are engaged in the business of manufacturing of auto parts. TACL has been supplying Auto Parts and Forgings etc. to QHT to meet its customer demands for the past several years in the ordinary course of business.

Members of the Company at their 67th Annual General Meeting held on September 25, 2024 had approved the Agreement for Sale/purchase of Company's products to/from QHT for a period of three years from April 01, 2025 to March 31, 2028.

Regulation 23 of the SEBI Listing Regulations inter alia states that all Material Related Party Transactions ('RPTs') shall require prior approval of shareholders by means of an Ordinary Resolution even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis and RPTs approved in an AGM shall be valid upto the date of the next AGM. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

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In view of the above, resolution mentioned at Item no. 7 of the accompanying Notice for carrying out/ continuing with contracts/ arrangements/ transactions with QHT for Sale/ Purchase of Company's products including but not limited to Forgings and other Auto Parts upto maximum amount of ₹ 95.00 Crores, exclusive of applicable taxes, during 2025-26 and for ratification of transaction in current Financial Year upto the date of the 68th AGM, is placed for approval by the members of the Company.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all

necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the ensuing Annual General Meeting. The Audit Committee noted that the said transaction(s) are at an arm's length pricing basis and in ordinary course of business of the Company.

Details of the proposed RPTs of the Company with QHT, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No.	Description	Details of proposed RPTs of the Company with QHT
1.	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs	
a)	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	QH Talbros Private Limited (QHT) QHT is an Associate Company of Talbros Automotive Components Limited (TACL). QHT and TACL are related parties.
b)	Type, material terms, tenure, monetary value and particulars of the proposed RPTs	The Company and QHTL have entered into / propose to enter into the transactions for Sale/ Purchase of Company's products to/ from QHT including but not limited to Forgings and other auto parts for an aggregate amount of up to ₹ 95.00 Crores exclusive of applicable taxes during the financial year 2025-26.
c)	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs	11.25% approx.
2.	Justification for the proposed RPTs	Both QHT and TACL are engaged in business of manufacturing of auto parts. QHT takes products from TACL and after processing /machining/ assembly sells the same to its customers. The Sale/purchase is done in ordinary course of business and at arm's length pricing. The transactions help the Companies to meet their customer demands and generation of revenue and business for both the Companies.
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:	
a)	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:	Not Applicable
b)	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness - Cost of funds and - Tenure	Not Applicable

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Sl. No.	Description	Details of proposed RPTs of the Company with QHT
c)	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
d)	The purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	Not Applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism followed for recurring transactions is based on the past practices adopting Arm's Length Principle
5.	Name of the Director or Key Managerial Personnel (KMP) who is related, if any and the nature of their relationship	Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. Vidur Talwar, Mr. Varun Talwar and Mr. Anuj Talwar are concerned/ interested being common Directors of both the Companies. Their interest or concern or that of their relatives, are limited only to the extent of their holding directorship / KMP position in the Company and QHT No other Directors/ Key Managerial Personnel and their relatives are in any way concerned or interested.
6.	Any other information that may be relevant	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice

None of the other Directors, KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the Notice.

Basis the review and approval of the Audit Committee, the Board of Directors recommends the resolution contained in Item No. 7 of the accompanying Notice to the shareholders for approval as an Ordinary Resolution.

Item No. 8

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), every listed company is required to annex Secretarial Audit Report issued by a Practicing Company Secretary to its Board's report prepared under Section 134(3) of the Act.

SEBI vide its notification dated December 12, 2024, amended the SEBI (LODR) Regulations. As per the amended Listing Regulations, on the basis of recommendation of the Board of Directors, a listed entity shall appoint Secretarial Auditor for a term of five consecutive years, subject to approval of the shareholders in the AGM. Further, such a Secretarial Auditor must be a peer-reviewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

Kiran Sharma & Co., have 30 years of experience in carrying out Secretarial Audit and providing other services related to corporate laws. They have confirmed their compliance with the ICSI's peer review process and hold valid Peer Review Certificate No. 1236/2021 issued by the ICSI. They have consented to act as the Secretarial Auditors of the Company and have confirmed that such appointment would comply with ICSI's prescribed limits.

They have confirmed their eligibility and independence under Regulation 24A of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 and other relevant applicable SEBI Circulars issued in this regard, the Companies Act, 2013, the Companies Secretaries Act, 1980, and Rules and Regulations made thereunder. Kiran Sharma & Co., have submitted the requisite declaration stating that they have not provided any prohibited non-secretarial services to the Company.

Notice (Contd.)

The Management evaluated the background, expertise and past performance of Kiran Sharma & Co., as the Secretarial Auditors of the Company and apprised the Audit Committee members on the evaluation of the same.

The Audit Committee and the Board of Directors, at their respective meetings held on May 26, 2025, have considered the proposal. In compliance with the aforesaid provisions, on the recommendation of the Audit Committee, the Board of Directors recommends the appointment of Kiran Sharma & Co., (CP No.: 3116 & Peer Review Certificate No.: 1236/2021) as the Secretarial Auditors for a term of five (5) years from Financial Year 2025-26 to Financial Year 2029-30 for conducting secretarial audit of the Company.

Besides the secretarial audit services, the Company may also obtain certifications from Kiran Sharma & Co., under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-secretarial audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The proposed remuneration to be paid to Kiran Sharma & Co., for the secretarial audit services is ₹ 40,000/- (Rupees Forty Thousand only) exclusive of applicable taxes in connection with the secretarial audit for Financial Year 2025-26 and reimbursement of out of pocket expenses, if any.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the agenda as set out at Item No. 8 of the Notice.

The Board of Directors recommends the resolution set forth in Item No. 8 for approval of the Members as an Ordinary Resolution.

Item no. 9

The Board, on the recommendation of Audit committee, has approved the re-appointment of M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) as the Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year 2025-26.

M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959 and have given their consent to conduct Cost Audit for the financial year 2025-26.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of remuneration payable to the Cost Auditors for the financial year 2025-26.

None of the Directors/Key Managerial Personnel of the Company/their relatives is concerned or interested, whether financially or otherwise, in the resolution set out at Item no. 9.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the accompanying Notice for the approval by members of the Company.

**By Order of the Board
For Talbros Automotive Components Limited**

Place: Gurugram
Date: May 26, 2025

**Sd/-
Seema Narang
Company Secretary**

Notice (Contd.)

ANNEXURE- 1 TO NOTICE OF 68TH AGM

Details of Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India are as under:

Name of the Director	Mr. Varun Talwar	Mr. Anuj Talwar	Mr. Tarun Singhal
DIN	00263984	00628063	07056960
Age / Date of Birth	56 years / June 20, 1969	44 years / December 19, 1980	68 years / August 21, 1957
Nationality	Indian	Indian	Indian
Qualifications	BS in Business Administration	Bachelor in Business Administration from College of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management	B. Tech.(E.E.)- Indian Institute of Technology, Kanpur
Expertise in specific functional areas	Business Management, Leadership, Finance and In-depth knowledge of Automobile Industry.	Business Management, Strategic Leadership, Finance and extensive knowledge of operations and technology of Automobile Industry.	Extensive knowledge of automotive industry.
Brief Profile	He has worked overseas with Stoffel Seals Corporation, a New York based Company besides American Express Bank, New York. He has more than 25 years of rich experience in the IT Sector, Auto Components and Health Care Industry. He has been associated with the Company since 2006.	He has over 20 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry. He has been associated with the Company since 2008	Mr. Tarun Singhal is a retired Top level executive with 41+ years' experience including 22+ years in the automotive industry in India and abroad. He is also an Independent consultant to the Auto Industry.
Date of first Appointment	August 14, 2008	August 14, 2012	January 02, 2019
Relationship with other Directors inter-se and Key Managerial Personnel	Mr. Varun Talwar is the son of Mr. Naresh Talwar and brother of Mr. Vidur Talwar.	Mr. Anuj Talwar is the son of Mr. Umesh Talwar	NA
No. of shares held in the Company	1406320	1875090	NIL
Name of listed entities from which the person has resigned in the past three years	NIL	NIL	NIL

Notice (Contd.)

Name of the Director	Mr. Varun Talwar	Mr. Anuj Talwar	Mr. Tarun Singhal
Terms & conditions of appointment/ re-appointment	In terms of the provision of Section 152(6) of the Act, Mr. Varun Talwar is liable to retire by rotation at the ensuing Annual General Meeting.	In terms of the provision of Section 152(6) of the Act, Mr. Anuj Talwar is liable to retire by rotation at the ensuing Annual General Meeting.	Re-appointment as a Non-Executive, Independent Director
List of Directorships held in other Companies (excluding foreign companies)	1. QH Talbros Private Limited 2. Talbros Marugo Rubber Private Limited 3. Marelli Talbros Chassis Systems Private Limited 4. T&T Motors Private Limited 5. Talbros International Private Limited 6. Pooja Talwar Development & Enrichment Centers Private Limited	1. QH Talbros Private Limited 2. Talbros Marugo Rubber Private Limited 3. Marelli Talbros Chassis Systems Private Limited 4. Talbros International Private Limited 5. T & T Motors Private Limited	1. TANDT Multi Trading Private Limited 2. Allied Motors Limited 3. Lohum Cleantech Private Limited 4. Lohum Materials Private Limited 5. Lohum Nickel Private Limited
List of Committees of Board of Directors across all companies in which Chairmanship/ Membership is held (only Audit Committee and Stakeholders' Relationship Committee considered)	NIL	<u>Stakeholders' Relationship Committee</u> • Talbros Automotive Components Limited	<u>Stakeholders' Relationship Committee</u> • Talbros Automotive Components Limited <u>Nomination & Remuneration Committee</u> • Talbros Automotive Components Limited
Number of Board Meetings attended during the year	3	4	3

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 68th Annual Report on the business and operations of your Company along with Audited Financial Statements (Standalone and Consolidated) and the Auditors' Report thereon for the financial year ended March 31, 2025.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars:	Standalone		Consolidated	
	Year Ended March 31, 2025	Year Ended March 31, 2024	Year Ended March 31, 2025	Year Ended March 31, 2024
Revenue from Operations	82,705.22	77,826.68	82,705.22	77,826.68
Profit before Interest and Depreciation	14,844.73	12,842.65	14,726.93	12,724.85
Less : Interest	1,369.65	1,326.54	1369.65	1,326.54
Depreciation	3,187.81	2591.09	3187.81	2591.09
Profit/(Loss) before Exceptional Items, share in profit of joint ventures (net) and tax	10,287.27	8925.02	10,169.47	8,807.22
Exceptional Items	-	7653.48	-	4,245.54
Profit/(Loss) before share in profit of joint ventures (net) and tax	10,287.27	16,578.50	10,169.47	13,052.76
Share in profit/(loss) of joint ventures (net)	-	-	1,773.82	1,617.15
Profit before Tax	10,287.27	16,578.50	11,943.29	14,669.91
Less: Provision for Tax	2529.10	3,718.89	2529.10	3,718.89
Provision for Deferred Tax	(41.77)	(31.87)	(41.77)	(31.87)
Less: (Excess)/Short provision of tax for earlier years written back/provided	12.69	(14.74)	12.69	(14.74)
Profit after Tax	7,787.25	12,906.22	9,443.27	10,997.63
Other Comprehensive Income				
a) Items that will not be reclassified to profit and loss	692.81	8,268.16	695.71	8,264.29
b) Income tax relating to items that will not be reclassified to profit and loss	(161.23)	(1,925.36)	(161.23)	(1,925.36)
Total other comprehensive income	531.58	6,342.80	534.48	6,338.93
Total comprehensive income	8,318.83	19,249.02	9,977.75	17,336.56

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

BUSINESS REVIEW

The global economic environment in 2024-25 was shaped by heightened uncertainty, with new US tariff measures, rapid policy shifts, and intensifying geopolitical tensions weighing on trade and growth. Global headline inflation is expected to moderate more slowly than earlier projected, easing to 4.3% in 2025 and 3.6% in 2026. Equity market volatility, elevated asset valuations, and sustained high corporate debt levels further cloud the financial outlook, posing challenges for central banks seeking to contain inflation without compromising financial stability.

India, however, maintained robust growth momentum, with GDP expanding by 6.5% in 2024-25, supported by resilient domestic demand, expanding investments, and sound macroeconomic management. The automotive industry recorded a 7.3% rise in domestic sales and a 14.6% increase in exports, while EV sales crossed 2 Mn units, reflecting the sector's accelerating shift towards sustainable mobility.

BOARD'S REPORT (Contd.)

Against this backdrop, the Company remained focused on operational continuity, manufacturing excellence, and supply chain optimisation, underpinned by stringent safety measures for employees. It leveraged its diversified product portfolio, spanning gaskets and heat shields, forgings, chassis systems, anti-vibration products, and hoses, to capture growth opportunities across domestic and export markets.

During the year, Talbros secured ₹1,475 Crores in new orders, with approximately 40–45% already under execution and another ~30% scheduled to commence in 2025-26. This included multiple EV-specific orders worth ~₹280 Crores and export orders worth ~₹560 Crores, strengthening its revenue visibility and market diversification. Capacity enhancements, including the operationalisation of the Pune facility and the upcoming Marelli JV chassis systems plant, are poised to support these new programmes, many of which cater to premium and EV platforms.

The Company also advanced its localisation and technology investments, particularly in EV components and next-generation heat shields for battery and noise insulation. Continued R&D focus, coupled with strategic joint ventures, enables Talbros to deliver high-value, future-ready products aligned with evolving mobility trends.

Looking ahead, the Company's priorities include scaling exports to over 35% of revenue, capitalising on policy tailwinds from schemes like PLI and FAME-II, and strengthening its presence in high-growth segments such as EVs, premium chassis systems, and heavier forged components. Sustainability will remain integral, with ongoing initiatives in localisation, energy efficiency, and process optimisation aimed at enhancing competitiveness while supporting environmental goals.

FINANCIAL REVIEW

Your Company recorded all time high revenue from operations on standalone basis for the financial year 2024-25 amounting to ₹ 827.05 Crores, 6.27 % higher as compared to the last financial year 2023-24 with gross turnover of ₹ 778.27 Crores. Profit after tax (PAT) for the Company for financial year 2024-25 was ₹ 77.87 Crores, 39.66% lower as compared to the PAT of ₹ 129.06 Crores in the previous year 2023-24.

The JV Company Marelli Talbros Chassis Systems Private Limited (MMT) registered a turnover of ₹ 284.43 Crores up by 9.43% as compared to financial year 2023-24 turnover of ₹ 259.91 Crores. PAT of MMT was ₹ 28.62 Crores, higher by 51.5 % as compared to ₹ 18.89 Crores in the previous year 2023-24

Talbros Marugo Rubber Private Limited (TMR), another JV Company has registered a turnover of ₹ 129.85 Crores up by 6.02 % as compared to financial year 2023-24 turnover of ₹ 122.47 Crores. PAT of TMR was ₹ 6.86 Crores as compared to ₹ 2.21 Crores in the previous financial year 2023-24.

During the financial year 2024-25, the consolidated total revenues increased by 6.27 % from ₹ 778.27 Crores in 2023-24 to ₹ 827.05 Crores.

NEW INITIATIVES & FUTURE OUTLOOK

Your Company is a diversified auto components manufacturer with a strong presence across two-wheelers, passenger vehicles, commercial vehicles, and agricultural equipment. Our business spans gaskets and heat shields, forgings, suspension systems, anti-vibration products, and hoses, supported by strategic joint ventures with global automotive leaders in suspension and rubber components.

In gaskets, we retain market leadership with a share exceeding 50%, which is approximately three times that of our nearest competitor. We continue to hold a dominant position in the two-wheeler, agricultural and off-loader, and HCV & LCV segments.

During the year, the Company secured multiple long-term orders from both domestic and international customers across all business divisions, product lines, and joint ventures. These orders, spread over the next five years, encompass gaskets, heat shields, forgings, and chassis components. They will strengthen our share of business with existing customers, expand our reach to new OEMs, and enhance our footprint across global markets.

The Company has also secured significant new orders for global head gaskets and integrated wire harness assemblies from European customers. These programmes are expected to generate healthy revenues over the next two years, further diversifying our export portfolio.

To support the timely execution of these new programs, the recently commissioned Pune facility will be fully operational in Q2 FY26, while the upcoming Marelli JV chassis systems plant became operational in April 2025. Both facilities are equipped with advanced manufacturing technologies and will cater to premium and EV platforms, enhancing capacity, quality, and responsiveness.

Looking ahead, the Company's strategic priorities include scaling exports to over 35% of revenue, increasing penetration in high-growth segments such as EVs, premium chassis

BOARD'S REPORT (Contd.)

systems, and heavier forged components, and furthering localisation and technology investments to strengthen cost competitiveness.

Sustainability will remain central to our growth approach, with continued efforts in localisation, energy efficiency, and process optimisation aimed at improving environmental performance while enhancing operational resilience.

TRANSFER TO RESERVE

An amount of ₹ 50 Lacs has been transferred to General Reserves out of the profit earned during the financial year 2024-25.

DIVIDEND

Your Board of Directors declared Interim Dividend for the financial year 2024-2025 10% (₹ 0.20p per equity share) on 6,17,28,150 Equity Shares of ₹ 2/- each, aggregating to ₹ 1,23,45,630/-, at its meeting held on November 14, 2024. The said Interim dividend was paid to the Shareholders on December 09, 2024.

Further, your Directors are pleased to recommend, a final dividend @ 25% (₹ 0.50p/- per equity share) for the financial year 2024-25 on 6,17,28,150 Equity Shares of ₹ 2/- each, aggregating to ₹ 3,08,64,075/- (Rupees Three Crore Eight Lacs Sixty-Four Thousand and Seventy-Five Only), for the approval of members at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is enclosed as **Annexure-I** to this Report and provides a detailed analysis on the performance of business and its outlook.

BUSINESS AND OPERATIONS OF THE COMPANY AND THE MATERIAL CHANGES AFFECTING IT

The Company is relentlessly working on increasing the business and is taking all necessary steps to ensure the health, safety and well-being of its employees and constantly moving forward on the path of growth.

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year ended March 31, 2025 till the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

INDUSTRY OVERVIEW

The Indian automotive sector remains a cornerstone of the national economy, contributing approximately 7% to GDP and driving demand across critical ancillary industries such as steel, aluminium, plastics, and oil and gas. It is also a significant generator of employment, innovation, and supply chain sophistication.

In 2024–25, domestic automobile sales grew by 7.3% year-on-year, supported by healthy urban demand, evolving vehicle replacement cycles, and policy-led tailwinds such as the vehicle scrappage programme. Exports recorded a strong rebound, rising by 14.6%, underscoring India's growing relevance in the global automotive supply chain.

With robust policy support, sustained innovation, and a dynamic consumer base, India's automotive sector is well-positioned to lead the next phase of industrial and technological growth. Government initiatives such as FAME-II and the Production-Linked Incentive (PLI) scheme are accelerating the adoption of electric mobility and catalysing advanced manufacturing at scale, reinforcing the sector's global competitiveness and long-term resilience.

India's auto component industry continues to expand steadily, driven by strong domestic demand, healthy export momentum, and an increasing focus on localisation. Despite global headwinds, the sector's fundamentals remain sound, with long-term growth supported by economies of scale, premiumisation, and the rising share of high-value components.

Investment in the sector is expected to remain strong, with an estimated ₹ 25,000–30,000 Crores projected for 2025–26. A significant share of this will be channelled into EV-specific component development, reflecting the industry's shift towards future-ready technologies. Localisation in the EV value chain has reached 30–40%, with substantial progress in battery management systems, traction motors, and power electronics. Battery cell manufacturing, however, remains a key white space presenting high-impact opportunities for domestic players.

The OEM segment, which accounts for more than half of the industry's revenue, is forecast to grow by 7–9% in 2024–25 and 8–10% in 2025–26, supported by platform renewals, content enrichment, and rising customer expectations. The replacement market is also expanding, driven by an ageing vehicle population and the increasing adoption of preventive maintenance practices.

BOARD'S REPORT (Contd.)

Backed by a cost-competitive manufacturing base, a skilled workforce, and supportive policy frameworks, India's automotive and auto component sectors are poised to play a leading role in shaping the future of global mobility.

SHARE CAPITAL

The Paid up share capital of the Company as on March 31, 2025 stands at ₹ 12,34,56,300/- divided into 6,17,28,150 equity shares of ₹ 2/- each.

Further, Company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently there is no change in the capital structure since previous year.

CREDIT RATING

Company's credit ratings were reaffirmed by CARE Ratings on September 30, 2024. The ratings of the Company are as under:

Facilities	Amount (₹ Crores)	Rating
Long term Bank Facilities	118.47 (reduced from 123.18))	CARE A+; Stable Reaffirmed
Short term Bank Facilities	45.00	CARE A1+ Reaffirmed
Total Bank Facilities	163.47 (₹ One Hundred Sixty-three Crore and forty seven Only)	-
Medium Term Instrument (Fixed Deposit)	-	-
Total Medium Term Instruments	-	-

TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2016-17 for amount aggregating to ₹ 6,59,540/- had been transferred to the "Investor Education and Protection Fund" established by the Central Government on November 20, 2024.

The Company shall transfer the unclaimed dividend for the financial year 2017-18 to the Investor Education and Protection Fund on or before October 23, 2025 upon completion of 7 years from the date of transfer of said dividend into the Unclaimed Dividend Account in compliance with the provisions of Section 125 of the Companies Act, 2013.

The shareholders who have not encashed their dividend warrants for the financial year 2017-18 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is intimating those members who have so far not claimed the unpaid dividend for the financial year 2017-18.

The Company has transferred 68385 equity shares of ₹ 2/- each to "Investor Education and Protection Fund" in the

previous year and the unpaid Dividend on such shares was also transferred to the Investor Education and Protection Fund (IEPF).

The Company would be transferring the required shares this year as per the data finalised by KFIN Technologies Limited, Registrar and Transfer Agent of the Company.

DIRECTORS

Your Directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board.

The Board of Directors recognises and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help it retain its competitive advantage.

During the year 2024-25, following changes took place in the composition of Board of Directors.

- Mr. Anil Kumar Mehra (DIN: 00004654), Independent Director of the Company, ceased to be a Director of

BOARD'S REPORT (Contd.)

the Company with effect from September 11, 2024 upon completion of the second term of 5 (Five) consecutive years in accordance with the provisions of Section 149(11) of Companies Act, 2013.

- Mr. Amit Burman (DIN: 00042050) Independent Director of the Company, ceased to be a Director of the Company with effect from September 11, 2024 upon completion of his second term of 5 (Five) consecutive years in accordance with the provisions of Section 149(11) of Companies Act, 2013.
- Mr. Rajat Verma (DIN: 02548070) was appointed as Non-Executive Independent Director of the Company for the first term of 5 (five) consecutive years w.e.f. August 07, 2024, not liable to retire by rotation, as approved by the shareholders in the 67th Annual General Meeting held on September 25, 2024.
- Mr. Rakesh Vohra (DIN: 00836463) was appointed as Non-Executive Independent Director of the Company for the first term of 5 (five) consecutive years w.e.f. August 07, 2024, not liable to retire by rotation, as approved by the shareholders in the 67th Annual General Meeting held on September 25, 2024.

DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Varun Talwar (DIN: 00263984) and Mr. Anuj Talwar (DIN: 00628063) are liable to retire by rotation and being eligible, offers themselves for re-appointment/appointment.

Details of the proposal for director seeking re-appointment are mentioned in the annexure to the Explanatory Statement of the Notice of 68th Annual General Meeting. The Board recommends his re-appointment to the members for their approval.

REAPPOINTMENT OF INDEPENDENT DIRECTOR AND JUSTIFICATION OF THE RE-APPOINTMENT

Mr. Tarun Singhal (DIN: 07056960) was appointed as an Independent Director at the 63rd AGM of the Company for a term of five years and holds office up to September 24, 2025. He is aged 67 years. He holds B. Tech.(E.E.)- degree from Indian Institute of Technology, Kanpur and is having rich experience and knowledge.

Mr. Tarun Singhal meets the criteria of independence as per provisions of Section 149(6) of the Companies Act, 2013.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Mr. Tarun Singhal (DIN: 07056960) as Independent Director, not liable to retire by rotation, for a second term of five consecutive years w.e.f. September 25, 2025 to September 24, 2030.

As per the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards, the details of to Mr. Tarun Singhal seeking re-appointment in the ensuing Annual General Meeting, are provided in the Explanatory Statement annexed to the Notice of the 68th AGM.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(7)

The Independent Directors have furnished the necessary declaration of Independence stating that they fulfill the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations and are not disqualified to act as Independent Directors.

They have also complied with requirements of Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. The Board is of the opinion that Independent Directors fulfill the independence requirement in strict sense and are eligible to continue as Independent Directors of the Company.

KEY MANAGERIAL PERSONNEL

As on date, Company has following Key Managerial Personnel in compliance with the provisions of Section 203 of the Companies Act 2013.

1. Mr. Umesh Talwar - Vice Chairman & Managing Director
2. Mr. Anuj Talwar - Joint Managing Director
3. Mr. Manish Khanna - Chief Financial Officer
4. Mrs. Seema Narang - Company Secretary

All Directors, Key Managerial Personnel and senior management have confirmed compliance with the Company's Code of Conduct.

CORPORATE SOCIAL RESPONSIBILITY

Company has formulated a Corporate Social Responsibility (CSR) policy which encompasses its philosophy and guides its sustained efforts for supporting socially useful programmes for

BOARD'S REPORT (Contd.)

welfare and sustainable development of the weaker sections of the society.

The Company has contributed to several organisations namely Armed Forces Flag Day Fund, The Earth Saviours Foundation, Savera Association, Roshni Education Society, Sarvam Foundation, NGO Sapna, Servants of the People Society, Venu Charitable Society, Save The Girl, The Talwar Foundation, Delhi Common Wealth Women's Association, Guild for Service, Indian Institute of Cerebral Palsy, Prabhat An Awakening, Ladli Foundation, Akshaya Patra, Arya Samaj, Akhand Jyoti (in the name of "Yugrishi shriram sharma Acharya Charitable Trust"), People for Action, CRY, PM National Relief Fund, for fulfilling its CSR obligations for the financial years 2024-25 and ensuring compliance with provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

The amount of ₹ 129.01 Lacs was spent by the Company during the financial year 2024-25 to fulfill its CSR obligations and ensure compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

As per Section 134(3)(o) of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company undertakes activities as per the CSR Policy (available on company's website www.talbros.com) and further details of the CSR activities are contained in the **Annexure - III** to this Report.

AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. J C Bhalla & Co., (ICAI Firm Registration No. 001111N), Chartered Accountants, were re-appointed as Statutory Auditors of the Company at 65th Annual General Meeting of the Company held on September 25, 2022 for a second term of 5 years to hold office till the conclusion of 70th AGM.

The Report given by M/s. J C Bhalla & Co., Chartered Accountants, Statutory Auditors on the financial statements (standalone as well as consolidated) of the Company for the financial year 2024-25 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

Annual Secretarial Audit Report and Compliance Report

Pursuant to Regulation 24A(2) of Listing Regulations, all listed entities on annual basis are required to obtain Annual Secretarial Compliance Report from Practicing Company

Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the said report is further required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company engaged the services of Kiran Sharma & Co., Practicing Company Secretaries (Membership No. 4942 & Certificate of Practice No. 3116) PCS and Secretarial Auditor of the Company for providing this certification for 2024-25.

The Company has complied with the above said provisions and Annual Secretarial Compliance Report for 2024-25 has been submitted to the Stock Exchanges within stipulated time.

The Secretarial Audit Report for the Financial Year ended March 31, 2025 under the Act, read with Rules made thereunder and Regulation 24A (1) of the Listing Regulations is set out in the **Annexure - IV** to this Report. There are no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Appointment of Secretarial Auditors

In accordance with Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the amended provisions of Regulation 24A of the Listing Regulations, the Board of Directors, on the recommendation of the Audit Committee, has approved and recommended to the Members, the appointment of Kiran Sharma & Co., Practicing Company Secretaries (Membership No. 4942 & Certificate of Practice No. 3116 and Peer Review Certificate No.: 1236/2021), as Secretarial Auditors of the Company to hold office for a term of Five years, from 2025-26 to 2029-30.

Kiran Sharma & Co., Practicing Company Secretaries, holds peer review certificate issued by the Peer Review Board of Institute of Companies Secretaries of India. The resolution for seeking approval of the members of the Company for the appointment of Kiran Sharma & Co., Practicing Company Secretaries as the Secretarial Auditor is provided in the Notice of the 68th AGM along with relevant details.

Kiran Sharma & Co., Practicing Company Secretaries, has consented to act as the Secretarial Auditors of the Company and have confirmed that the appointment, if approved, would be within the prescribed limits under the Act & relevant Rules, and Listing Regulations. Kiran Sharma & Co. have also affirmed that they are not disqualified from being appointed as the Secretarial Auditors under the applicable provisions of the Act, its Rules, and the Listing Regulations.

BOARD'S REPORT (Contd.)

Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder M/s. Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) were re-appointed as the Cost Auditors of the Company for the financial year ending March 31, 2025 to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2023-24 issued by M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) in respect of the various products as prescribed under the Cost Audit Rules was filed in the prescribed form with the Ministry of Corporate Affairs (MCA) during the year.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of the ensuing Annual General Meeting. Further, on the recommendation of the Audit Committee, the Board of Directors have also re-appointed them as Cost Auditors for financial year 2025-26, to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

Internal Auditors

In compliance with the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, the Internal Audit of various units of Company, for the financial year 2024-25 was carried out by the following Internal Auditors:

M/s. Mazars Advisory Private Limited, Gurgaon as the Internal Auditors to conduct the Internal Audit for Gasket Division at Faridabad and Forging Division at Bawal.

M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune as the Internal Auditors to conduct the Internal Audit for Company's Plant at Pune.

M/s. Pant Ravi & Associates, Chartered Accountants as the Internal Auditor to conduct the Internal Audit for Company's Plant at Sitarganj.

Further, the Board in their meeting held on May 26, 2025 has reappointed the existing Internal Auditors for conducting Internal Audit for the financial year 2025-26.

RISK MANAGEMENT

The Company has formulated a process for risk management. The Company has set up a core group of leadership team, which identifies, assesses the risks and the trends, exposure and potential impact analysis at different level and lays down the procedure for minimisation of the risks.

Company has identified various strategic, operational and financial risks which may impact company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

DISCLOSURES

Board Meetings

During the Financial Year 2024-25, 4 (four) Board Meetings were held on May 22, 2024, August 07, 2024, November 14, 2024, February 11, 2025. Details of the same are available in the section 'Meetings of the Board of Directors' in the Corporate Governance Report.

Audit Committee

During the Financial Year 2024-25, 4 (four) meetings of Audit Committee were held on May 22, 2024, August 07, 2024, November 14, 2024, February 11, 2025. Composition and other details of the Audit Committee are available in the Corporate Governance Report.

During the year under review, all the recommendations of the Audit Committee have been duly considered and accepted by the Board of Directors.

Nomination and Remuneration Committee

During the Financial Year 2024-25, 1 (One) meeting of the Nomination and Remuneration Committee was held on July 31, 2024. Composition and other details of the Nomination and Remuneration Committee are available in the Corporate Governance Report.

BOARD'S REPORT (Contd.)

Stakeholders' Relationship Committee

During the Financial Year 2024-25, 4 (four) meetings of Stakeholders' Relationship Committee were held on May 22, 2024, August 7, 2024, November 14, 2024 and February 11, 2025. Composition and other details of the Stakeholder's Relationship Committee are available in the Corporate Governance Report.

Corporate Social Responsibility Committee

During the Financial Year 2024-25, 2 (two) meetings of the Corporate Social Responsibility Committee were held on June 18, 2024 and January 09, 2025. Composition and other details of the Corporate Social Responsibility Committee are available in the Corporate Governance Report.

Remuneration Policy & Board Evaluation

The Board on the recommendation of the Nomination & Remuneration Committee for selections and appointments of Directors, senior management and decides their remuneration, after reviewing their qualifications, positive attributes, independence of Directors and board diversity.

Remuneration Policy of the Company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The criteria for performance evaluation of Directors cover the areas relevant to their functioning as member of Board or its Committees thereof. The manner in which the performance evaluation of the Board and its Committees thereof, the Chairman and the Directors individually has been carried out and has been explained in the Corporate Governance Report.

The Remuneration Policy of the Company is available on company's website www.talbro.com.

Related Party Disclosures

Related party transactions are periodically reviewed and approved by Audit committee and are also placed before the Board for necessary approval. The Company has developed standard operating procedures for the purpose of identification and monitoring of such transactions as referred to in Section 188(1) of the Companies Act, 2013.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key

Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large.

SEBI had made a major recast of the regulatory processes on related party transactions vide various Circulars mandating "Prior" approval of shareholders for material related party transactions from AGM to AGM basis. Therefore, the Board has taken relevant approvals from the Audit Committee for entering into the Related party transactions and the Board of the Company also recommend Member's approval for the resolution regarding Material Related Party Transactions as set out in the notice of AGM.

The contracts or arrangements of the Company with related parties during the period under review were in ordinary course of business and on arms' length basis and in accordance with the shareholders' approval, wherever required. The Audit Committee has also given the omnibus approval for the transactions repetitive in nature in the first Board Meeting of the Financial Year.

The Board has approved policy for related party transactions in terms of provision of Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which is available on company's website www.talbro.com.

The prescribed **Form AOC- 2** giving particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is attached as **Annexure II**.

Frauds reported during the year

No material frauds were reported for the period under review.

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures as on March 31, 2025 in **Form AOC-1** is annexed to this Report as **Annexure V**.

Conservation of energy, technology absorption, research and development and foreign exchange earnings and outgo

In accordance with the requirements of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure VI** and form part of this report.

BOARD'S REPORT (Contd.)

Particulars of remuneration of Employees

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure –VII**.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are available with the Company. In terms of provisions of Section 136(1) of the Act, any member intends to obtain a copy of the said details may write to the Company Secretary and Compliance Officer of the Company.

Public Deposits

There are no deposits outstanding as on March 31, 2025, except for some unclaimed deposits.

No fresh deposits were accepted during the year. Deposit amounting to ₹ 2,37,000 remains unclaimed at the end of financial year 2024-25 and the same is being transferred to Investor Education and Protection Fund (IEPF).

There has been no default in repayment of deposits or payment of interest thereon during the year.

No order with respect to depositors for extension of time for repayment, penalty imposed has been received from National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT).

All deposits are in compliance with the requirements of the Companies Act, 2013.

Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Listing of Shares

The Equity Shares of the Company are listed on the BSE Limited (BSE), and National Stock Exchange of India Limited (NSE).

Registrar and Share Transfer Agent

The Share Transfer and other activities are being carried out by M/s KFin Technologies Limited (earlier Kfin Technologies

Private Limited), Registrar and Share Transfer Agent from the following address:-

Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana India - 500032

Corporate Governance

A Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as per the requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, is enclosed as **Annexure VIII** and is part of this Report.

The Board of Directors support the concept of Corporate Governance and having regard to transparency, accountability and rationale behind the decisions have made proper disclosures separately under the heading "Report on Corporate Governance" which forms part of this Annual Report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel.

The Policy aims to provide protection to the employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the object of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommendation for appropriate action. Policy regarding Sexual Harassment at Work Place is available at the Company website i.e. www.talbro's.com.

The Annual Report of the Internal Complaints Committee of the Company pursuant to Section 21 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for the year ended December 31, 2024 has duly been filed with the office of District Officer.

BOARD'S REPORT (Contd.)

The Internal Complaints Committee of the Company had been reconstituted during the year under review. The composition of the Committee is as under:-

Location: Faridabad	
Name	Designation
Ms. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Anshu Mehra	Member
Mr. Harish Thakur	Member
Location: Pune	
Name	Designation
Ms. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Ms. Reshma Garge	Member
Location: Bawal	
Name	Designation
Ms. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Vivek Singh	Member
Ms. Neha Batra	Member

No complaints have been filed/disposed of/pending during the financial year ended March 31, 2025.

Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established.

Details of establishment of Vigil Mechanism/Whistle Blower are disclosed in the Corporate Governance Report.

The policy on Vigil Mechanism is available on Company's website at www.talbro.com

In exceptional circumstances or issues related to reprisal, retaliation, victimisation of any Whistle Blower, the employee shall have direct access to Ms. Priyanka Gulati - Chairperson of the Audit Committee.

During the year under review, no employee was denied access to the system to report any grievance.

No complaints/ grievances were received from any employee during the year under review.

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Annual Return

In compliance with the provisions of Section 92(3) read with Section 134 (3)(s) of the Companies Act, 2013, the annual return of the Company for the financial year 2024-25 in prescribed form is placed on Company's website www.talbro.com.

Details of application/proceeding pending under the Insolvency and Bankruptcy Code, 2016

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Details of difference in valuation

There is no such instance of difference in valuation as the Company has not done one-time settlement with any Bank or Financial Institution.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state and confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;
- That Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are 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 the period ended on March 31, 2024;
- That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

BOARD'S REPORT (Contd.)

- d) That Directors have prepared the annual accounts on a going concern basis;
- e) That Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) That the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support given by our customers, shareholders, financial institutions and banks and all other stakeholders and we look forward to their continued support.

Your Directors place on record their appreciation for the contribution made by the Company's employees at all levels. Your Company's growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Sd/-

Umesh Talwar

Vice Chairman & Managing Director
(DIN: 00059271)

Sd/-

Anuj Talwar

Joint Managing Director
(DIN: 00628063)

Place: Gurugram

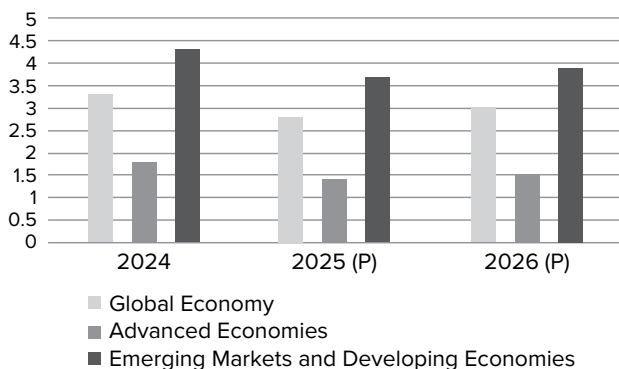
Date: May 26, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY REVIEW

The global economy registered a moderate growth rate of 3.3% in 2024, demonstrating a stretch of restrained fluctuations. Despite this measured expansion, the underlying dynamics remained tepid. Entering 2025, the global economic environment is undergoing a structural realignment, driven by an evolving policy landscape. Intensifying geopolitical uncertainties and persistent macroeconomic challenges are catalysing this transformation, as nations respond with strategic recalibration of national priorities.

Growth Projections (in %)



P – Projected

In 2025, the imposition of a new wave of tariff measures by the United States acted as a major disruptor in the global trade environment, eliciting prompt and reciprocal actions from key trading partners. These escalating trade tensions culminated on April 2, 2025 with the enforcement of a near-universal tariffs, propelling effective global tariff rates to a level not witnessed in over a century. This abrupt rise in protectionist barriers dealt a significant blow to global trade and economic growth.

The pace and unpredictability of recent policy shifts amplified global economic uncertainty, complicating the near-term outlook. Amidst this evolving environment, traditional forecasting models are proving increasingly less effective, as long-standing assumptions are being rapidly upended.

In the face of this rising volatility, global headline inflation is now projected to decelerate at a slower pace than previously expected. Inflation is anticipated to ease to 4.3% in 2025 before further moderating to 3.6% in 2026. This revised trajectory reflects persistent inflationary pressures in advanced economies, partially offset by marginal downward adjustments in emerging and developing markets.

Simultaneously, concerns over financial fragility are mounting, especially in emerging markets and within the Non-Bank Financial Institutions (NBFIs) ecosystem. Elevated equity market volatility, inflated asset valuations, and sustained high levels of corporate debt are contributing to a more precarious financial landscape. As a consequence, central banks are facing the prospect of navigating a delicate balance – containing inflation while avoiding systemic risks to financial stability.

Emerging markets are particularly exposed under prevailing conditions. Rising sovereign debt servicing burdens, coupled with capital outflows, driven by widening interest rate differentials and sustained currency depreciation, are amplifying inflationary stress and macroeconomic imbalances. In the absence of timely multilateral assistance and credible debt restructuring frameworks, these vulnerabilities aggravate the risk of abrupt investment halts or episodes of debt distress.

Outlook

While the global economy continues to navigate persistent headwinds, the current environment also offers a strategic window to bolster economic resilience and pivot towards a more sustainable growth trajectory. The adaptability demonstrated by many economies under strain highlights the potential for recovery – achievable through an effective blend of coordinated policies and structural reforms.

Looking ahead, a renewed emphasis on setting up transparent and predictable trade frameworks, expediting the debt resolution process, and addressing long-standing structural inefficiencies will be instrumental in fostering a balanced and inclusive global recovery. Simultaneously, clarity in monetary policy, effective use of macroprudential tools, and credible fiscal strategies will be pivotal in restoring market confidence, containing financial vulnerabilities, and fortifying the foundations for long-term growth.

International cooperation will play a defining role in shaping this phase of global economic recovery. Achieving meaningful progress will require policy realignment, decisive leadership, and a collective resolve to advance shared goals. A coordinated multilateral approach is the need of the hour to restore global economic momentum, rebuild essential buffers, and unlock new avenues for inclusive and sustainable prosperity.

(Source: *World Economic Outlook, April 2025: A Critical Juncture amid Policy Shifts*)

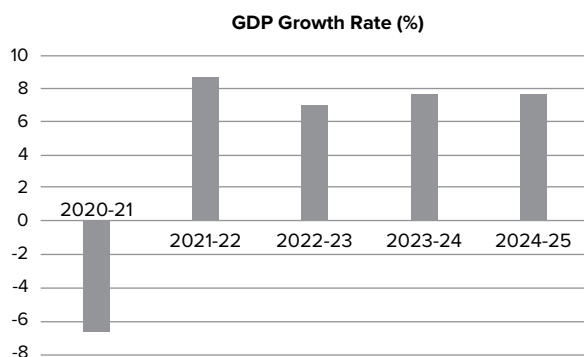
Annexure - I (Contd.)

Indian Economy

Indian economy continues to chart a robust growth path amidst a challenging global environment, with GDP expected to grow between 6.5% and 6.7% in 2024-25. This sustained momentum reaffirms India's stature as one of the fastest-growing major economies, driven by strong domestic demand, rising capital outlays, and an enduring and dynamic services sector, accounting for 55.3% of Gross Value Added (GVA). The nation's IT and computer services exports remain a key bright spot, continuing to deliver double-digit growth and bolster external resilience.

The industrial sector is projected to grow by 6.2%, supported by solid gains in electricity and construction. However, the pace of manufacturing growth is anticipated to ease to 5.3%, down from 9.9% in the previous fiscal, demonstrating the effects of subdued global demand and lower corporate investments.

Indian Economy GDP Growth Rate



India's renewable energy capacity recorded a 15.8% year-on-year surge, now accounting for 47% of total installed capacity, exemplifying the nation's accelerated transition towards clean energy. Similarly, the real estate sector is on a stronger footing, gaining traction from rising urban housing demand, while the digital economy is on a robust growth trajectory, projected to exceed US\$1Tn by 2025.

Inflation is expected to remain stable, supported by a prudent mix of fiscal and monetary policies. Key policy interventions, including the Production-Linked Incentive (PLI) scheme and Ease of Doing Business 2.0 are progressively reshaping the investment climate through regulatory simplification, digitalisation, and tax rationalisation. Complementary reforms in labour markets and institutional governance are further strengthening India's economic resilience to navigate evolving global challenges.

Collectively, these efforts are laying a strong foundation for sustainable, innovation-led growth, aligned with India's long-term development priorities.

(Source: <https://www.india-briefing.com/news/economic-survey-of-india-2024-25-key-highlights-36004.html/>)

Outlook

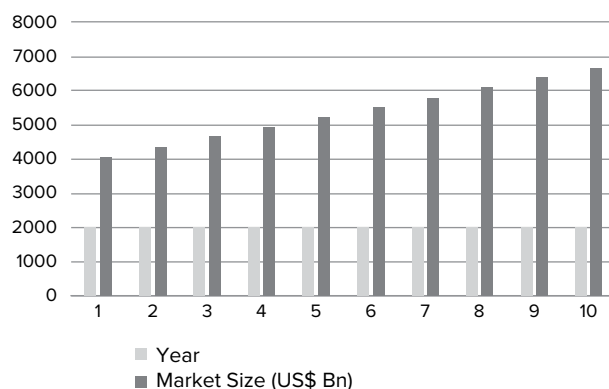
India's GDP is forecast to grow between 6.3% and 6.8% in 2025-26, driven by key levers including, ongoing structural reforms, rapid digital adoption, and a growing consumption base. Flagship programmes such as 'Make in India' and the PLI schemes are catalysing the growth of a competitive manufacturing ecosystem. In addition, these pointed strategic interventions are attracting large-scale investments in priority sectors, including electronics, semiconductors, and renewable energy.

Simultaneously, massive infrastructure investments in highways, ports, logistics hubs, and smart cities are expected to further stimulate economic activity and generate greater employment opportunities. With continued policy momentum, strategic capital deployment, and a clear vision, India is well-positioned to maintain a consistent high-growth path, accelerating its ascent as a formidable global economic force.

(Source: [https://www.ibef.org/news/indian-economy-expected-to-grow-6-3-6-8-in-fy26-economic-survey#:~:text=Indian%20Economy%20News-,Indian%20economy%20expected%20to%20grow,6.8%25%20in%20FY26%3A%20Economic%20Survey&text=India's%20economy%20is%20expected%20to,%2C%20on%20January%2026%2C%202025.\)](https://www.ibef.org/news/indian-economy-expected-to-grow-6-3-6-8-in-fy26-economic-survey#:~:text=Indian%20Economy%20News-,Indian%20economy%20expected%20to%20grow,6.8%25%20in%20FY26%3A%20Economic%20Survey&text=India's%20economy%20is%20expected%20to,%2C%20on%20January%2026%2C%202025.)))

INDUSTRY OVERVIEW

Global Automotive Industry



Annexure - I (Contd.)

The global automotive industry, valued at approximately US\$4,359.98 Bn in 2024, is poised for significant growth, with projections indicating its rise to US\$6,678.28 Bn by 2032, at a CAGR of 5.66%. This robust outlook points to the efficacy of the dynamic transformation the industry is currently undergoing, driven by technological innovation, shifting consumer preferences, stricter regulatory mandates, and emerging business models.

This evolution is being shaped by four defining trends, including electrification, autonomous mobility, connectivity, and the emergence of next-generation mobility solutions. In response, automakers are strategically diversifying their portfolios to include electric, hybrid, and connected vehicles. Simultaneously, they are ramping up investments in sophisticated software platforms, battery technology, and autonomous driving systems to remain competitive in this rapidly evolving market landscape.

Emerging markets, particularly in the Asia-Pacific region, continue to serve as key growth engines for the global automotive sector. China maintained its leadership in global vehicle production in 2024, manufacturing over 31.3 Mn units. Meanwhile, countries like India and several African economies are gaining ground, supported by favourable demographics, proactive policy interventions, and rising vehicle penetration.

Electrification is gaining traction globally, backed by declining battery prices and scaled investments in EV infrastructure. With battery prices expected to fall below US\$ 100/kWh by 2025, the economics of electric vehicle adoption are becoming progressively viable across markets. At the same time, hybrid electric vehicles (HEVs) are experiencing robust uptake globally, including in India, with projected growth of 20-25% between 2024 and 2025. HEVs are emerging as effective bridge technology, supporting the transition, as EV ecosystems mature.

As vehicle electrification and digitalisation advance, the demand for semiconductors is rising sharply. The average semiconductor content per vehicle is expected to double by 2030, driven by adoption of ADAS, infotainment, and telematics systems.

Despite this progress, the industry faces several headwinds, including persistent supply chain disruptions, chip shortages, and increasing environmental expectations that collectively continue to test the agility of the global automotive industry. In response, automakers are intensifying focus on sustainability-centric R&D, efficient manufacturing, and resilient supply chains.

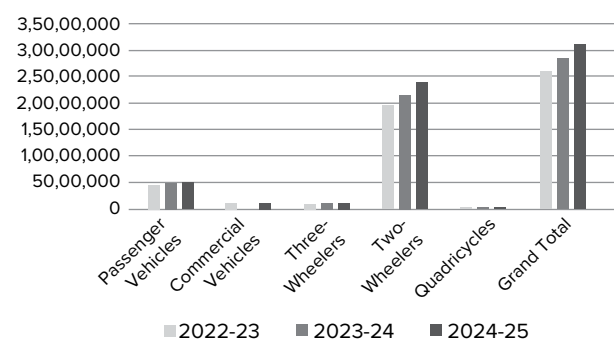
The rise of shared mobility, telematics, and over-the-air (OTA) updates is redefining the automotive user experience and unlocking new revenue streams for manufacturers and service providers. As the evolution continues, long-term success will increasingly depend on the industry's ability to stay agile, embrace digitalisation, and maintain a firm focus on innovation-led, sustainable mobility.

(Sources: <https://www.fintechfutures.com/press-releases/automotive-industry-size-expected-to-reach-usd-6-678-28-bn-by-2032>
<https://www.iea.org/reports/global-ev-outlook-2023>
<https://www.mckinsey.com/industries/automotive-and-assembly>)

Indian Automotive Industry

The Indian automotive industry stands as a vital engine of economic growth, contributing approximately 7% to the nation's GDP, while driving momentum across key ancillary industries, including steel, aluminium, plastics, and oil & gas. The sector is also a major enabler of employment, innovation, and supply chain sophistication. On the global front, India cemented its stature as the largest producer of two-wheelers and tractors, the second-largest for buses, and the third-largest for medium and heavy commercial vehicles.

Maintaining its robust momentum, the domestic automobile sales in 2024-25 recorded a year-on-year surge of 7.3%, buoyed by sound urban demand, evolving vehicle replacement cycles, and policy-led tailwinds, including the vehicle scrappage initiative. At the same time, exports staged a strong rebound, rising by 19.2%, signalling resurgence of demand across key global markets. Together, these trends reinforce India's leadership in global automotive supply chain and bolster the nation's ascent to achieve the milestone of becoming the third-largest automotive market by volume in 2025-26.



(Source: Society of Indian Automobile Manufacturers)

Annexure - I (Contd.)

India's automotive growth is supported by several structural strengths, including rising household incomes, a young and aspirational population, and a thriving R&D ecosystem. Complementing these are a cost-effective manufacturing landscape, a skilled workforce, and the allowance of 100% FDI through the automatic route, all of which amplify India's appeal as a preferred destination for global automotive investments.

Strategic policy frameworks such as FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) and the PLI scheme are accelerating the adoption of electric mobility. At the same time, these interventions are reshaping India's industrial backbone by catalysing advanced manufacturing at scale. As the industry undergoes a paradigm shift, sustained investments in EVs, autonomous technologies, and sustainable mobility are set to redefine the competitive advantages.

Backed by robust policy impetus, continued innovation, and a dynamic consumer market, India's automotive sector is uniquely poised to steer the course of the nation's industrial and technological advancement. Moreover, this synergy is poised to reaffirm India's global relevance and contribute to its long-term economic resilience.

(Source: SIAM)

Indian Automotive Component Industry

India's auto component industry is charting a steady growth path, propelled by robust domestic demand, strong export momentum, and a strategic push towards localisation. Even amidst global uncertainties, the industry remains grounded in robust fundamentals, well-placed on the trajectory of long-term growth.

ICRA projects the industry to grow by 8-10% in 2025-26, following a 7-9% expansion in 2024-25. While this presents a moderation from the 14% growth phase in 2023-24, the industry's operating margins are expected to remain stable at 11-12%. The drivers supporting this resilience include economies of scale, a shift towards premiumisation, and a growing share of high-value components.

India's component production is projected to reach US\$145 Bn by 2030, according to a joint report by NITI Aayog and CRISIL, with exports likely to touch US\$60 Bn, resulting in a US\$25 Bn trade surplus. The recent hike in US tariffs on Chinese EVs and auto parts are poised to recalibrate global sourcing dynamics, bringing forth both competitive risks and strategic opportunities for Indian suppliers.

Capital inflows into the sector are set to remain strong, with investment estimated at ₹ 25,000-30,000 Crores in 2025-26.

A significant portion of this is earmarked for EV-specific component development, exhibiting the industry's shift towards future-ready technologies. Localisation in the EV value chain already reached 30-40%, with substantial advancements in battery management systems, traction motors, and power electronics. However, battery cell manufacturing continues to be a key white space, presenting high-impact opportunity for the domestic ecosystem.

The OEM segment, which contributes over half of the industry's revenue, is anticipated to grow by 7-9% in 2024-25, before further climbing up to 8-10% in 2025-26. This upward momentum is driven by platform renewals, content enrichment per vehicle, and higher consumer expectations. Additionally, the replacement market is on a robust growth curve, gaining traction from an aging vehicle population and a shift towards preventive maintenance.

Buoyed by the strong domestic tailwind and robust international demand, India's auto component exports reached US\$21.2 Bn in 2023-24, turning a US\$2.5 Bn trade deficit in 2018-19 into a modest surplus. According to BCG and ACMA, India's export potential could scale up to US\$100 Bn, especially in under-penetrated markets like North America and Europe.

The next wave of growth will be driven by localisation of high-value, software-integrated, complex components such as ECUs, instrument clusters, telematics systems, and ABS modules. As global OEMs adopt diversified, multi-region sourcing strategies, India's engineering depth, cost competitiveness, and supplier diversity offer a compelling alternative.

Simultaneously, the pivot towards connected and intelligent mobility is intensifying the demand for embedded software, advanced sensors, and control systems. The domestic industry is swiftly evolving to meet these emerging needs.

Contributing 2.3% to India's GDP and directly employing over 1.5 Mn people, the auto component industry stands as a crucial enabler of the country's industrial and employment growth.

Government Initiatives

The Government is playing a catalytic role in advancing the industry through multiple enablers including fiscal incentives, R&D-linked subsidies, cluster infrastructure development, and IP facilitation. These efforts are fostering the growth of high-precision manufacturing, improving global competitiveness, and accelerating the localisation of advanced technologies.

The shift towards EVs and intelligent mobility is being actively supported by focused interventions aimed at ecosystem

Annexure - I (Contd.)

development, skill enhancement, and regulatory streamlining. Simplified labour codes, corporate tax rationalisation, and the expansion of logistics infrastructure are further strengthening the industry's foundation.

PLI Schemes

The PLI scheme for the auto and auto component sector, launched by the Government of India, is proving instrumental in catalysing innovation and localisation. With ₹ 25,938 Crores budgetary allocation, the scheme incentivises production of leading-edge automotive technology components, including those critical to electric and hydrogen fuel cell vehicles.

A growing number of domestic and international players secured approval under the scheme, pledging investments across key component areas, such as electronic control units, battery systems, sensors, drive motors, and power electronics. This initiative is cementing India's positioning as a global manufacturing hub for next-generation mobility technologies.

(Sources: <https://timesofindia.indiatimes.com/business/india-business/india-auto-component-industry-revenues-to-expand-8-10-in-2025-26-icra/articleshow/118414171.cms>

<https://www.businesstoday.in/auto/story/indias-auto-component-industry-targets-100-bn-in-exports-466674-2025-03-04>

Revving Up Exports: The Next Phase of Export Growth for the Auto Component Industry | BCG

Indian Auto Components Industry Analysis | IBEF

Automotive-Industry-Powering-India-participation-in-GVC-Non-Confidential.pdf

Press Release: Press Information Bureau)

COMPANY OVERVIEW

Talbro Automotive Components Limited (also referred to as 'Talbro' or 'The Company'), founded in 1956, is a distinguished force in the Indian auto component industry, recognised for its enduring legacy of engineering innovation and manufacturing excellence. With over six decades of deep domain expertise, the Company has evolved into a diversified, multi-location enterprise. It offers a comprehensive portfolio, including gaskets and heat shields, forgings, suspension systems, anti-vibration components, and hoses. Talbro serves a wide spectrum of mobility segments, spanning two-wheelers, passenger cars, commercial, off-highway, and agricultural vehicles. The Company is a trusted partner to over 30 leading OEMs across global markets. Its competitive edge is further sharpened by strategic international technology alliances

and two synergistic joint ventures, which amplifies product innovation, manufacturing scale, and global reach.

- **Marelli Talbro Chassis Systems Private Limited (MTCS):** This 50:50 joint venture brings together Talbro's robust local manufacturing strength with Marelli Suspension Systems S.p.A., Italy's global expertise in chassis technology. MTCS specialises in advanced suspension systems and is a trusted partner to marquee automotive OEMs.
- **Talbro Marugo Rubber Private Limited (TMR):** This 50:50 joint venture combines Talbro's local agility with the technical mastery of Japan's Marugo Rubber Industries Limited. The joint venture specialises in the development and production of high-performance anti-vibration components and rubber products, offering tailored, technologically superior, and future-ready solutions that support evolving mobility needs.

Through these strategic alliances, Talbro delivers world-class automotive solutions, fulfilling its sustained commitment to innovation, quality, and technological excellence. At the same time, the Company remains firmly focused on financial prudence and sustainable value creation. Its unbroken track record of dividend payouts for over five decades speaks volumes of its consistent performance, deep-rooted integrity, and shareholder-centric approach. Moreover, it highlights the enduring confidence it commands among its stakeholders in a rapidly evolving global auto components industry.

Product Portfolio and Revenue Contribution during 2024-25

Product Segment	Company	Revenue Contribution (₹ in Lacs)
Gaskets and Heat Shields	Talbro Automotive Components Limited (Standalone)	53,886.08
Forgings	Talbro Automotive Components Limited (Standalone)	28,819.14
Chassis Components	Marelli Talbro Chassis Systems Private Limited- a JV Company	28,443.10
Anti-Vibration Products and Hoses	Talbro Marugo Rubber Private Limited- a JV Company	12,984.51

Annexure - I (Contd.)

SWOT ANALYSIS

Strengths

- **Legacy of Excellence:** Over six decades of expertise has positioned Talbros as a trusted name in the auto component industry, enabling it to maintain a competitive edge.
- **Robust OEM Partnerships:** Strategic and long-standing relationships with more than 30 OEMs across passenger, commercial, off-highway, and exports segments continue to drive sustained growth and cement Talbros' market leadership.
- **Strategic Global Collaborations:** Joint ventures and international technology tie-ups empower the Company to deliver globally benchmarked, high-performance products.
- **Diversified Export Footprint:** Rising exports to mature international markets support revenue diversification and bolster global presence.
- **State-of-the-art Manufacturing:** Multi-location, leading-edge facilities, coupled with a comprehensive product portfolio, strengthen the Company's operational resilience and delivery excellence.
- **Uncompromising Quality Standards:** Global certifications and a rigorous quality control ensure high customer retention and repeat business.

Weakness

- **Limited EV-specific Product Penetration:** While EV adoption accelerates globally, Talbros' current share in EV-specific components remains relatively modest. However, the Company is actively diversifying its offerings to address this gap and align with electrification trends.

Opportunities

- **EV Sector Growth:** Growing demand for electric and plug-in hybrid vehicles offers significant opportunities across emerging and existing product lines.
- **Rising Domestic EV Demand:** New orders from leading Indian OEMs in the EV space reflect Talbros' growing relevance in this high-potential segment.
- **Non-auto Diversification:** Expansion into non-automotive domains opens up new revenue streams and insulates the Company from cyclical automotive sector risks.

- **Global Market Expansion:** Surging demand for precision-engineered components in the international markets positions Talbros to scale its export footprint.
- **Focus on R&D and Innovation:** Continued investment in technology, embedded systems, and software integration enhances product competitiveness.
- **Policy Tailwinds:** Government initiatives, such as PLI, Make in India, and FAME-II offer strategic support for capacity expansion, R&D, and localisation.
- **India as an Automotive R&D Hub:** The evolving domestic ecosystem presents opportunities for innovation-led partnerships and domestic value creation.

Threats

- **Raw Material Price Volatility:** Fluctuating raw material costs and global supply chain disruptions can impact profitability. Proactive risk management strategies, including hedging and localisation, are key to mitigating these risks.
- **Macroeconomic and Geopolitical Risks:** Global headwinds, such as pandemics, global recessions, and geopolitical volatilities could impact demand and operations. A diversified portfolio and geographic footprint help cushion these risks.

FINANCIAL PERFORMANCE

Talbros continues to demonstrate strong financial resilience and strategic agility, capitalising on emerging opportunities to deliver sustained value. The Company's performance in 2024-25 reflects a solid growth momentum, supported by operational efficiency, enduring customer relationships, and disciplined execution.

During the year, Talbros reported a standalone revenue of ₹827.05 Crores, representing a 6.27% increase over the previous year's turnover of ₹778.27 Crores. This strong topline performance reflects the Company's ability to navigate dynamic market conditions, while maintaining healthy volume growth and pricing discipline.

Profitability registered an impressive uptrend, with Profit After Tax (PAT) for 2024-25 at ₹77.87 Crores, a 39.66% decrease from ₹129.06 Crores in 2023-24. However, last year's PAT included an extraordinary profit of ₹61.15 Crores. So, in real terms, operational PAT increased by 14.66% as compared to previous year operational PAT of ₹67.91 Crores. This substantial improvement in bottom-line performance was driven by enhanced operational leverage, improved cost structures, and strong demand across key product segments.

Annexure - I (Contd.)

On a consolidated basis, Talbros mirrored this growth momentum, with total revenues rising by 6.27%, from ₹778.27 Crores in 2023-24 to ₹827.05 Crores in 2024-25 – further reinforcing Talbros' financial strength and its readiness to scale new horizons.

Details of Key Financial Ratios and Significant Changes therein

The details of changes of 25% or more in the key financial ratios as compared to the previous financial year, along with explanations for the same:

Particulars	2024-25 (%)	2023-24 (%)	Change (%)	Explanation of Change
Inventory Turnover Ratio (times)	3.41	3.17	7.38	-
Debtors Turnover Ratio (times)	3.63	4.11	(11.71)	-
Current Ratio	1.72	1.38	24.95	-
Interest Coverage Ratio	7.26	8.83	(17.78)	-
Debt Equity Ratio	0.14	0.17	(16.50)	-
Net Profit Margin (%) (Including Exceptional Items)	9.42	16.58	(43.22)	An extra-ordinary profit of ₹61.15 Crores in the previous year
Net Profit Margin (%) (Excluding Exceptional Items)	9.42	8.73	11.74	-
Return on Net Worth (Including Exceptional Items)	14.15	30.98	(54.33)	An extra-ordinary profit of ₹61.15 Crores in the previous year
Return on Net Worth (Excluding Exceptional Items)	14.15	17.58	(19.51)	-
Operating Profit Margin (%)	17.95	16.50	8.79	-

Human Resource Management

Talbros credits its sound performance and enduring growth to the dedication, agility, and talent of its people. Recognising that a future-ready workforce is the engine of sustained success, the Company continues to invest heavily in employee development through customised career progression plans that empower employees to thrive. Beyond traditional compensation and performance metrics, Talbros embraces a partnership-driven HR approach that fosters deeper employee engagement and loyalty.

Employee Lifecycle and Well-being

Talbros places a strong emphasis on employee well-being and work-life balance, recognising their critical role in sustaining motivation and productivity. By fostering a supportive environment and ensuring long-term career fulfilment, the Company enhances retention and cultivates a more engaged and satisfied workforce.

Training and Development

Talbros offers a comprehensive suite of internal and external training programmes to sharpen leadership capabilities and technical skills across key functions such as manufacturing, quality control, sales, marketing, and IT. The Company encourages the employees to pursue external learning opportunities to continuously broaden their knowledge base.

Retention Strategies

Talbros is committed to retaining top talent through competitive compensation packages, attractive benefits, and well-defined career advancement paths. The Company cultivates a positive, inclusive workplace culture where employees feel valued and recognised, strengthening loyalty and reducing turnover.

CAUTIONARY STATEMENT

The statements in the Management Discussion and Analysis section describing organisational objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market positioning, expenditures, and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus, differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statement on the basis of any subsequent developments, information, or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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's length transactions under third proviso thereto.

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

All transactions are entered on Arm's length basis and hence no details to be given here.

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board/Audit Committee, if any:	Amount paid as advances, if any:
QH Talbros Private Limited (Associate Company)	Agreement for Sale & Purchase of products i.e. Forgings and other auto parts	April 01, 2025 to March 31, 2028	Maximum amount of sale upto ₹ 95.00 Crores in one financial year.	May 22, 2024	Nil
QH Talbros Private Limited (Associate Company)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2023 to March 31, 2032	1% of sales in replacement market (Net of taxes) during the period of contract. Amount not exceeding ₹ 1.50 Crores in one financial year.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Management Fee Agreement	February 13, 2023 to February 12, 2028	₹ 30.00 Lacs p.a.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Purchase and/or Sale Agreement of Rubber, Rubber Compound, other chemicals and to do job work for each other	April 01, 2025 to March 31, 2028	Maximum amount of sale/purchase upto ₹ 4.00 Crores in one financial year.	February 11, 2025	Nil
Marelli Talbros Chassis Systems Private Limited (JV Company)	Lease Deed for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	March 14, 2022 to March 13, 2027	₹ 2.50 Crores per annum	February 09, 2022	Nil
Mrs. Kumkum Talwar (Relative of key managerial personnel)	Lease Deed for the basement premises situated at D-1/36, Vasant Vihar, New Delhi-110057	October 01, 2025 to September 30, 2028	₹ 7.20 Lacs per annum	February 11, 2025	Nil

Annexure - II (Contd.)

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board/Audit Committee, if any:	Amount paid as advances, if any:
Talbro's Indiparts Private Limited (Related party)	Rent Agreement for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	April 01, 2024 to March 31, 2027	₹ 20.00 Lacs per annum	February 07, 2024	Nil
Talbro's Indiparts Private Limited (Related party)	Agreement for sale of Company's products in aftermarket	April 01, 2024 to March 31, 2027	₹ 60 Crores in one financial year	February 07, 2024	Nil
Talbro's Indiparts Private Limited (Related party)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2024 to March 31, 2027	₹ 40.00 Lacs per annum	February 07, 2024	Nil

For and on behalf of the Board**Sd/-****Umesh Talwar**Vice Chairman & Managing Director
(DIN: 00059271)**Sd/-****Anuj Talwar**Joint Managing Director
(DIN: 00628063)Place: Gurugram
Date: May 26, 2025

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACTIVITIES TO BE INCLUDED IN BOARD'S REPORT

1. A brief outline of the Company's CSR policy

CSR activities of Talbros are focused to:

- Promote employment and enhancing vocational skills for employability of youth.
- Sustain efforts for supporting socially useful programmes for welfare and sustainable development of the weaker sections of the society especially the women and children.
- Any other project or aid which the Committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII (Section 135) or as authorised by or initiative of the Government of India.

Talbros Automotive Components Limited's CSR Policy is in compliance with the provisions of Companies Act, 2013.

2. Composition of the CSR Committee:

Sl. No.	Name of Member	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of CSR Committee meetings attended during the year
1.	Mr. Umesh Talwar	Chairman, Executive Director	2	2
2.	Mr. Navin Juneja	Non-Executive - Non Independent Director	2	2
3.	Mr. Amit Burman*	Non-Executive – Independent Director	2	0
4.	Mr. Ajay Kumar Vij **	Non-Executive - Independent Director	2	1

*ceased to be member on August 07, 2024

** appointed as member on August 07, 2024

3. **The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:** The brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken are placed on the Company's website <https://www.talbro's.com/investors-3>
4. **Executive summary along with web-link(s) 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, if applicable - Not Applicable**
5. (a) **Average net profit of the Company as per Section 135(5):** ₹ 6450.33 Lacs
 (b) **Two percent of average net profit of the Company as per section 135(5):** ₹ 129.01 Lacs
 (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
 (d) **Amount required to be set off for the financial year, if any:** NIL
 (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 129.01 Lacs
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project -** ₹ 129.01 Lacs
 (b) **Amount spent in Administrative Overheads –** NIL
 (c) **Amount spent on Impact Assessment, if applicable -** NA
 (d) **Total amount spent for the Financial Year (6a+6b+6c) -** ₹ 129.01 Lacs

Annexure - III (Contd.)

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ In Lacs)	Amount Unspent (₹ In Lacs)				
	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
129.01	NIL	NA	NA	NIL	NA

(f) Details of the excess 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

Sl. No.	Particular	Amount (in ₹ Lacs)
(i)	Two percent of average net profit of the Company as per section 135 (5)	129.01
(ii)	Total amount spent for the Financial Year	129.01
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of unspent CSR amount for preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Balance amount in Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Amount spent in the reporting Financial Year (in ₹ Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (In ₹ Lacs)	Deficiency, if any
					Amount (in ₹ Lacs)	Date of transfer		
1	2021-22	--	--	--	NIL	NA	NIL	--
2	2022-23	--	--	--	NIL	NA	NIL	--
3	2023-24	--	--	--	NIL	NA	NIL	--
	Total	--	--	--	NIL	NA	NIL	--

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year –

☐ Yes☒ No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable, since entire obligation has been spent.

For and on behalf of the Board

Sd/-

Umesh Talwar

Vice Chairman & Managing Director

(DIN: 00059271)

Sd/-

Anuj Talwar

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 26, 2025

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2025

*[Pursuant to Section 204(f) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,

Talbro's Automotive Components Limited

14/1, Delhi Mathura Road, P.O. Amar Nagar,
Faridabad, Haryana-121003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Talbro's Automotive Components Limited** having **CIN: L29199HR1956PLC033107** (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 authorised 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 **March 31, 2025** 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 returns filed and other records maintained by **Talbro's Automotive Components Limited** for the financial year ended on March 31, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2011*;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2011*;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2011* and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*;

**Not applicable because the Company did not carry out the activities covered by the regulations/guidelines during the audit period.*

- (vi) Other laws and guidelines applicable to the Company namely:-

- a) Factories Act, 1948
- b) The Industrial Employment (Standing Order) Act, 1946
- c) The Industries (Development and Regulation) Act, 1951

Annexure - IV (Contd.)

- d) The Contract Labour (Regulation and Abolition) Act, 1970,
- e) The Child Labour (Prohibition and Regulation) Act, 1986
- f) The Workmen's Compensation Act, 1923
- g) The Environment (Protection) Act, 1986
- h) The Legal Metrology Act, 2009

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI Listing Regulations.
- (ii) Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in accordance with applicable statutory provisions 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.
- (iii) All decisions at Board and Committee Meetings are carried out with majority in favour and there were no instances of any member dissenting to the same, as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

I further report that,

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

- Mr. Rakesh Vohra (DIN: 00836463) appointed as Non-Executive - Independent Director with effect from August 07, 2024.
- Mr. Rajat Verma (DIN: 02548070) appointed as Non-Executive - Independent Director with effect from August 07, 2024.
- Mr. Anil Kumar Mehra (DIN: 00004654) ceased to be an Independent Director of the Company due to completion of his second term with effect from September 11, 2024.
- Mr. Amit Burman (DIN: 00042050) ceased to be an Independent Director of the Company due to completion of his second term with effect from September 11, 2024.

I further report that during the audit period there were no instances of:

- a) Public/Right/Preferential Issue of shares/debentures/sweat equity, etc.
- b) Redemption/buyback of securities
- c) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- d) Merger/amalgamation/reconstruction etc.
- e) Foreign technical collaborations

**For Kiran Sharma & Co.
Company Secretaries**

**Sd/-
Kiran Sharma**
(Proprietor)
M. No. : 4942
CP No. : 3116

Place: New Delhi
Date: May 26, 2024

UDIN:F004942G000428596
P.R. NO.: 1236/2021

Annexure A to the Secretarial Audit Report dated May 26, 2025

To,
The Members,
Talbro Automotive Components Limited
14/1, Delhi Mathura Road, P.O. Amar Nagar,
Faridabad, Haryana-121003

The Secretarial Audit Report dated May 26, 2025 is to be read with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 the random text basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random 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.

For Kiran Sharma & Co.
Company Secretaries

Sd/-

Kiran Sharma
(Proprietor)
M. No. : 4942
CP No. : 3116

UDIN:F004942G000428596
P.R. NO.: 1236/2021

Place: New Delhi
Date: May 26, 2025

Annexure - V

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries - Not Applicable to the company as there is no subsidiary.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In lacs)

Sl. No.	Name of Associate/Joint Ventures	Joint Ventures		Associates*		
		Marelli Talbros Chassis Systems Pvt. Ltd.	Talbros Marugo Rubber Pvt. Ltd.	QH Talbros Private Ltd.	Talbros International Pvt. Ltd.	Talbros Indiparts Pvt.Ltd.
1	Latest Audited Balance Sheet date	March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024	March 31, 2024
2	Details of Associates/Joint Ventures where shares held by the Company					
	Total shares issued by the Associates/Joint Venture	2,35,60,000	1,90,00,002	30,50,000	6,55,2111	10,00,000
	Number of shares held by the company	1,17,80,000	95,00,000	1,77,962	13,26,970	10,00,000
	Amount of Investment in Associates/Joint Venture (in INR Lacs)	1,178.00	950.00	190.99	13,393.24	-
	Extend of Holding % in the Associates/Joint Venture	50%	50% less one share	5.83%	20.25%	-
3	Description of how there is significant influence	Joint Venture		No Significant influence	No Significant influence	Associate
4	Reason why the associate/joint venture is not consolidated	Consolidated		Shareholding is less than the threshold limit for Consolidation	Shareholding is less than the threshold limit for Consolidation	Not required under the applicable Ind-AS
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (in INR Lacs)	5,117.60	1,285.35	1,435.97	983.77	298.72
6	Profit/Loss for the year After Tax before other comprehensive income (in INR Lacs)	2,862.10	685.52	6,002.32	1,424.52	153.03
i.	Considered in consolidation (in INR Lacs)	1,431.05	342.76	-	-	-
ii.	Not considered in consolidation (in INR Lacs)	1,431.05	342.76	-	-	-

* Associates have not been consolidated due to non-requirement under the applicable Ind-AS.

For and on behalf of the Board

Sd/-

Umesh Talwar

Vice Chairman & Managing Director

(DIN: 00059271)

Sd/-

Anuj Talwar

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 26, 2025

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

[Section 134(3) (m) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) Conservation of energy

i) The steps taken or impact on conservation of energy & utilising alternate sources of energy

- Vacuum pump running continually for 6mins process cycle for IWH rubber machine, high power consumption Vacuum pump power consumption of 7.5KW motor for 6mins x 8 cycles =6KWH

After installing timer, Vacuum pump power consumption of 7.5KW motor for 1mins x 8 cycles =1KWH.

Pump power saving hourly = 7 KWH

Power saving = 24hrs x 7KWH = 168KWH for a day

Saving in price = 168x8 = ₹ 1344 for a day

Saving in price = 1,344x24 = ₹ 32,256 for a month

Total saving for a year = ₹ 32,256 x 12 = ₹ 3,87,072 p.a.

₹ 3,87,072 / Year

- Chiller running countinually, 3 Nos of pumps running for Desma machine Chiller, high power consumption Cooling tower pump power consumption of 7.5HP motor =5.5KWH

3Nos of pumps always active on load for maintaining the chiller water feeding

While using the individual pressure pump 3hp for chiller cooling tower line

Chiller on load reduces from 24hrs to 20hrs & 2Nos of pumps now active on load for maintaining the chiller water feeding

So, energy saving for chiller is = 24-22 hrs = 2 hrs

Pump power saving hourly = 5.5KWH-2.3KWH = 3.2 KWH = 24hrs*3.2KWH = 76KWH

If chiller consume 20Kwh x 24hrs = 480 KWH power consumption, then for 22 hrs will be = 440KWH

Power saving = 480-440KWH = 40KWH & 76KWH = 116KWH for a day

Saving in price = 928x24 = ₹ 22,272 for a month

Total saving for a year = ₹ 22,272 x 12 = ₹ 2,67,264 p.a.

₹ 2,67,264 / Year

B) Technology absorption

i) The efforts made towards technology absorption

- Renewed TAA with Sanwa Packing Industry of Japan for Light Weight Nimbus Heat Shield with NVH feature to meet Indian Automotive OEMs requirement of new generation engines. Initiated development of such heat shields for Maruti Suzuki, Hyundai, KIA and Tata Motors.
- Introduced gasket design with integrated electrical control features - required for functioning of Injectors and Brake.
- MLS Cyl. Head gasket with Post Coating Technology through Technical Assistance Agreement with Sanwa Packing Industry of Japan.

Annexure - VI (Contd.)

- Developing high performance Laser Welded Sealing Technology and New Gasket Materials to meet the requirement of new generation BS VI and BS VII engines.
- Localisation of FKM Compound for partial coating on cylinder head gaskets with support from Sanwa Packing.
- Developed cyl. Head gasket samples for Hydrogen IC engine. These are under validation stage at customer end.
- Initiated development of leakage testing machine for optimising gasket design, material selection. This will get implemented in this financial year.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Indigenised new Sealing products for new platform engines (BS-IV emission complaints).
- Introduced Heat Shields for OEM customers for their new engines/vehicles.
- Reduction in cost of Multi-Layer Steel gaskets through Post Coating.
- Localisation of gasket fiber material with Interface Performance Material.
- Localisation of Rubber Compounds for sealing application.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- (i) The details of technology imported - Technology for Manufacture of Heat-Shield
- (ii) The year of import – 2011
- (iii) Whether the technology been fully absorbed – As our Heat Shield project has been set up, the technology absorption is happening.
- (iv) If not fully absorbed areas where absorption is taking place and the reasons thereof, and - NA
- (v) The expenditure incurred on Research and Development - NIL.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

PARTICULARS	2024-25 (₹ in Lacs)	2023-24 (₹ in Lacs)
Foreign Exchange Earnings	25,022.78	22,650.07
Foreign Exchange Outgo (Imports)	9,447.69	10,154.28

For and on behalf of the Board**Sd/-****Umesh Talwar**

Vice Chairman & Managing Director
(DIN: 00059271)

Sd/-**Anuj Talwar**

Joint Managing Director
(DIN: 00628063)

Place: Gurugram
Date: May 26, 2025

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	- Ratio of the remuneration of Mr. Umesh Talwar to the median remuneration of the employees - 34:1 - Ratio of the remuneration of Mr. Anuj Talwar - 34:1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Umesh Talwar- Nil Mr. Anuj Talwar- Nil Mr. Manish Khanna- 7.58% Mrs. Seema Narang- 7.48%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	5.02%
(iv)	Number of permanent employees on the rolls of company	580
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 10 %. There was no increase in the managerial remuneration during the year.
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company	The remuneration paid to employees is as per the remuneration policy of the company.

For and on behalf of the Board

Sd/-

Umesh Talwar

Vice Chairman & Managing Director

(DIN: 00059271)

Sd/-

Anuj Talwar

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 26, 2025

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is an ethically-driven business process that is committed to values aimed at enhancing an organisation's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations.

At Talbros, the Company's affairs are managed in a fair and transparent manner and it is ensured that we gain and retain the trust of our stakeholders at all times.

The Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

The Company is in compliance with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Listing Regulations") with respect to corporate governance and a report on Corporate Governance in accordance with Part C of Schedule V to the SEBI Listing Regulations is outlined below:

BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2025, the Board of Directors comprised of Twelve (12) Directors – Two (2) Executive Directors and Ten (10) Non-Executive Directors out of which Six (6) Directors are Independent Directors including one Woman Director.

The composition of the Board of Directors of the Company is in conformity with the stipulated requirements of Regulation 17(1) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 (hereinafter referred as "Act").

The Chairman of the Board is a Non-Executive Promoter Director and the number of Independent Directors is not less than half of the total number of Directors of the Company.

The Directors hold qualifications and possess requisite experience/skills/expertise and competencies in General Corporate Management, Finance, Legal, Banking, Economics and other allied fields as identified by the Board in context of Company's business to function effectively. These skills enable Directors to contribute effectively in making decisions for the Company and these skills for each Director are mentioned in a separate matrix later in this report. Detailed profile of each of

the Directors is available on the Company's website viz. www.talbros.com.

The necessary disclosures regarding other directorships and committee positions have been made by the Directors confirming that none of the Directors on the Board is a member of more than Ten (10) Committees and chairperson of more than Five (5) Committees across all the companies in which he/she is a Director (as specified in Regulation 26 of SEBI Listing Regulations).

During the year 2024-25, following changes took place in the composition of Board of Directors.

- Mr. Anil Kumar Mehra (DIN: 00004654), Independent Director of the Company, ceased to be a Director of the Company with effect from September 11, 2024 upon completion of the second term of 5 (Five) consecutive years in accordance with the provisions of Section 149(11) of Companies Act, 2013.
- Mr. Amit Burman (DIN: 00042050) Independent Director of the Company, ceased to be a Director of the Company with effect from September 11, 2024 upon completion of his second term of 5 (Five) consecutive years in accordance with the provisions of Section 149(11) of Companies Act, 2013.
- Mr. Rajat Verma (DIN: 02548070) was appointed as Non-Executive Independent Director of the Company for the first term of 5 (five) consecutive years w.e.f. August 07, 2024, not liable to retire by rotation, as approved by the shareholders in the 67th Annual General Meeting held on September 25, 2024.
- Mr. Rakesh Vohra (DIN: 00836463) was appointed as Non-Executive Independent Director of the Company for the first term of 5 (five) consecutive years w.e.f. August 07, 2024, not liable to retire by rotation, as approved by the shareholders in the 67th Annual General Meeting held on September 25, 2024.

Independent Directors

The Independent Directors bring an unbiased independent judgement to Board's deliberations and a range of diverse knowledge, experience and expertise in the decision making by the Board. They play a pivotal role in safeguarding the interest of all stakeholders. Their independent judgement and evaluation of strategies, risk management and overall governance is essential and valuable for Company's performance.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The Directors have submitted declarations and it is confirmed that they hold directorship in compliance with provisions of Regulation 17A(1) and (2) of listing Regulations. Further, neither any Director is a member in more than 10 (ten) committees nor acts as Chairperson of more than 5 (Five) Committees across all listed entities in which he/she is a Director in terms of the Regulation 26(1) of Listing Regulations.

Familiarisation Programme

In accordance with provisions of Regulation 25 of Listing Regulations, the Board has adopted a Familiarisation Program for Independent Directors to familiarise the Independent Directors of the Company with the organisation.

In pursuit of this, the Board of Directors of the Company are updated on changes/developments in the domestic/global corporate and industry scenario including those pertaining to statutes/legislations & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.

Any Director who joins the Board is familiarised with a relevant background of the Company, its operations and important Codes and Policies of the Company. The Independent Directors are also provided with regular updates on relevant statutory changes to ensure that they remain up to date on the Compliance framework. Interactive sessions with senior leadership team and functional heads in Board Meetings also enables better understanding of business strategy, operational performance, product offerings and market initiatives etc. The details of the Familiarisation Program imparted to Independent Directors is also available on the website of the Company i.e. <https://www.talbro's.com/>

The web link for accessing the familiarisation programmes of Independent Directors is <https://www.talbro's.com/familiarization-programme-of-id>

Disclosure of relationship between Directors inter-se as on March 31, 2025:

Relationship between Directors, *inter-se*

Mr. Naresh Talwar and Mr. Umesh Talwar are brothers.

Mr. Varun Talwar and Mr. Vidur Talwar are sons of Mr. Naresh Talwar.

Mr. Anuj Talwar is son of Mr. Umesh Talwar.

Number of shares held by Directors as on March 31, 2025

The details of shares held by Executive Directors are as under:

S. No.	Name of Director	No. of Shares held
1	Mr. Umesh Talwar	9,37,550
2	Mr. Anuj Talwar	18,75,090

The details of shares held by Non- Executive Directors are as under:

S. No.	Name of Director	No. of Shares held
1	Mr. Naresh Talwar	14,06,320
2	Mr. Vidur Talwar	14,06,320
3	Mr. Varun Talwar	14,06,320
4	Mr. Navin Juneja	9,940

Meetings and Attendance

During the year ended March 31, 2025 four (4) meetings of the Board of Directors were held on the following dates:

- (i) May 22, 2024 (ii) August 07, 2024 (iii) November 14, 2024
- (iv) February 11, 2025

The 67th Annual General Meeting (AGM) was held on September 25, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The category and the details of Attendance of the Directors in the Board Meetings and at the AGM held during the year are given as under:

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Naresh Talwar (Chairman)	Promoter, Non-Executive	3	Yes
Mr. Umesh Talwar (Vice Chairman and Managing Director)	Promoter, Executive	4	Yes
Mr. Anuj Talwar (Joint Managing Director)	Executive Non-Independent	4	Yes
Mr. Varun Talwar (Joint Managing Director)	Non-Executive Non-Independent	3	Yes
Mr. Vidur Talwar	Non-Executive Non-Independent	4	Yes
Mr. Navin Juneja	Non-Executive Non-Independent	4	Yes
Mr. Anil Kumar Mehra*	Non-Executive & Independent	2	No
Mr. Deepak Jain	Non-Executive & Independent	4	No
Mr. Amit Burman*	Non-Executive & Independent	2	No
Ms. Priyanka Gulati	Non-Executive & Independent	3	Yes
Mr. Ajay Kumar Vij	Non-Executive & Independent	3	Yes
Mr. Tarun Singhal	Non-Executive & Independent	3	No
Mr. Rajat Verma**	Non-Executive & Independent	2	No
Mr. Rakesh Vohra**	Non-Executive & Independent	2	No

* Ceased to be Director on the Board of the Company w.e.f. September 11, 2024.

** Appointed as a Director on the Board of the Company w.e.f. August 07, 2024.

Meeting of Independent Directors

Provisions of Schedule IV of the Companies Act, 2013 ("the Act") and Regulation 25 of the Listing Regulations has mandated that the Independent Directors of the Company shall hold at least one meeting during the financial year without the attendance of Non-Independent Directors and the members of the management of the Company.

The Separate Meeting of the Independent Directors was held on February 24, 2025 to discuss the performance of Non Independent Directors and the Board as a whole, performance evaluation of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the evaluation of 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.

Meeting of Non-Independent Directors

In compliance with regulation 17(10) of SEBI (LODR) Regulations, 2015, a meeting of Non-Independent Directors was held on February 11, 2025, wherein the performance of the Independent Directors was evaluated and found to be satisfactory and they meet the criteria of independence as per the legal requirements.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Directorships/Committee positions held by the Directors

The Details of Directorships/Committee positions held by the Directors as on March 31, 2025 in other Listed Companies are as under:

Name of the Directors	Number of Committee Memberships/ Chairmanships as on March 31, 2025			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s) *	Committee Membership(s) **	Committee Chairmanship**	Name of the Company	Category	
Mr. Naresh Talwar, (Chairman)	-	-	-	-	-	Automotive Components Industry
Mr. Umesh Talwar, (Vice Chairman & Managing Director)	-	-	-	-	-	Automotive Components Industry
Mr. Varun Talwar, (Joint Managing Director)	-	-	-	-	-	IT Sector, Auto Components and Health Care Industry
Mr. Anuj Talwar, (Joint Managing Director)	-	-	-	-	-	Corporate Finance, Credit Analysis and Auto Industry
Mr. Vidur Talwar	-	-	-	-	-	Automotive Components Industry
Mr. Navin Juneja	-	-	-	-	-	Financial Management, Corporate Planning, Accounting and Strategic Planning
Ms. Priyanka Gulati	2	1	1	Epac Durable Limited	Non-Executive Independent Director	Management Consulting and Entrepreneurship
				Premier Energies Limited	Non-Executive Independent Director	
Mr. Ajay Kumar Vij	-	-	-	-	-	Healthcare Industry
Mr. Deepak Jain	3	2	1	RSWM Limited	Non-Executive Independent Director	Automotive Components Industry
				Lumax Auto Technologies Limited	Non-Executive Director	
				Lumax Industries Ltd.	Promoter, Executive Director	
Mr. Tarun Singhal	-	-	-	-	-	Auto Industry

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Directors	Number of Committee Memberships/ Chairmanships as on March 31, 2025			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s) *	Committee Membership(s) **	Committee Chairmanship**	Name of the Company	Category	
Mr. Rajat Verma	-	-	-	-	-	Technology industry and has rich experience in the electronic waste management ecosystem.
Mr. Rakesh Vohra	-	-	-	-	-	Management Consultancy, Accounting, Taxation, Audit, Financial Planning, Assurance and Business Advisory.

*Other Directorships exclude Directorship in Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013.

** The committees position covered above only includes Chairmanship/Membership of the Audit Committee and Stakeholder's Relationship Committee of Listed and unlisted public Companies.

COMMITTEES OF THE BOARD**(i) Audit Committee**

Audit Committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations (including any amendments and re-enactments thereof).

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, are in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The role of Audit Committee, inter-alia, includes the following:

- Reviewing the Company's financial reporting process and its financial statement.
- Reviewing the financial and accounting policies and practices and compliance with applicable accounting standards.

- Reviewing reports furnished by Internal and Statutory Auditors.
- Recommending appointment / re-appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
- Reviewing with the management, performance of Statutory and Internal auditors and adequacy of the internal control systems.
- Reviewing with the management, quarterly results and annual financial statements before submission to the Board for approval.
- Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- Approval or any subsequent modification of transactions of the Company with related parties;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Scrutiny of inter corporate loans, investments and deposits.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the Whistle blower mechanism.

Composition and attendance

As on March 31, 2025, The Audit Committee comprises of four (4) members including three (3) Non-Executive Independent Directors. The Non-Executive Independent Director acts as a Chairperson of the Committee.

All the members of the Audit Committee are financially literate. The Audit Committee satisfies the criteria of two-third of its members being Independent Directors. Chief Financial Officer, Internal Auditor and Representatives of Statutory Auditors are permanent invitees to the meetings of Audit Committee and Company Secretary acts as Secretary to the Committee.

During the year ended March 31, 2025, four meetings of the Audit Committee were held on the following dates:

(i) May 22, 2024 (ii) August 07, 2024 (iii) November 14, 2024 (iv) February 11, 2025

The composition and attendance in Audit Committee meetings during the Financial Year 2024-25 is as under:

Name of the Directors	No. of Meetings Attended
Mrs. Priyanka Gulati, Chairperson*	3
Mr. Navin Juneja, Member	4
Mr. Rakesh Vohra, Member**	2
Mr. Ajay Kumar Vij, Member**	2
Mr. Anil Kumar Mehra^	2
Mr. Amit Burman#	-

With effect from August 07, 2024:

* Appointed as Chairperson of the Committee.

**Appointed as Member of the Committee.

^ Ceased to be Member and Chairman of the Committee.

Ceased to be Member of the Committee.

(ii) Nomination & Remuneration Committee

Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section

178 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations (including any amendments and re-enactments thereof).

The terms of Reference of the Nomination & Remuneration Committee are in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, which inter-alia, includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- 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 of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Executive Directors/ Senior Management.

The policy of the Company is to remain competitive in the industry, to attract and retain good talent and appropriately reward the employees and Directors for their performance and contribution to the business.

Composition and Attendance

The Nomination & Remuneration Committee consists of three (3) Members all being Non-Executive Independent Directors. The Non-Executive Independent Director acts as a Chairman of the Committee.

During the year ended March 31, 2025, one (1) meeting of the Nomination & Remuneration Committee was held on July 31, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition and attendance in Nomination & Remuneration Committee meetings is as under:

Name of Director	No. of meetings attended
Mr. Ajay Kumar Vij, Chairman*	1
Mr. Navin Juneja, Member**	-
Mr. Tarun Singhal, Member	1
Mr. Anil Kumar Mehra***	1

With effect from August 07, 2024.

* Appointed as Chairman of the Committee.

** Appointed as a Member of the Committee.

*** Ceased to be Member and Chairman of the Committee.

Performance Evaluation

The Nomination and Remuneration Committee of the Board, has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual Directors, in adherence of SEBI Listing Regulations.

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The performance evaluation was conducted for the Board, its Committees and Individual directors including Chairman of the Board.

Remuneration of Directors

Executive Directors

The remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, subject to the subsequent approval by the shareholders at the general meeting and such other approvals as may be required.

Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Anuj Talwar, Joint Managing Director of the Company were paid remuneration during the year under review as per the details given hereunder:

Details of Remuneration paid to Directors during the year ended March 31, 2025

(Amt. in ₹)

S. No	Name of the Director	Basic Salary	House Rent Allowance	Provident Fund Contribution	Allowances	Superannuation Fund	Total
1.	Mr. Umesh Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
2.	Mr. Anuj Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
Total		2,03,28,000	1,42,32,000	24,39,360	18,00,000	1,99,992	3,89,99,352

* Gratuity & other long term benefits are paid as per Company Policy.

Other terms and conditions:

	Mr. Umesh Talwar	Mr. Anuj Talwar
Term of Appointment	Three years (from April 01, 2024 to March 31, 2027)	Three years (from August 14, 2024 to August 13, 2027)

Non-Executive Directors

The Non-Executive Independent Directors are paid sitting fee of ₹ 80,000/- for attending every Board Meeting and ₹ 40,000/- for attending every Audit Committee Meeting. They are also entitled for the reimbursement of travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committee thereof or which they may otherwise incur in the performance of their duties as Director.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company does not have any other material pecuniary relationship/transaction with any of its Non-Executive Directors.

Sitting fee paid for financial year 2024-25 is tabled below:

Name of Non-Executive Directors	Sitting Fee (In ₹)
Mr. Anil Kumar Mehra	1,65,000
Mr. Amit Burman	1,10,000
Mr. Navin Juneja	4,05,000
Ms. Priyanka Gulati	2,85,000
Mr. Ajay Kumar Vij	3,20,000
Mr. Tarun Singhal	1,90,000
Mr. Deepak Jain	2,70,000
Mr. Rakesh Vohra	2,40,000
Mr. Rajat Verma	1,60,000
Total	21,45,000

In case of Executive Directors and Managing Director/ Joint Managing Director, the appointments are governed by the resolutions passed by the Board and the members of the Company, which cover the terms and conditions of their appointment and no separate Service Contract is entered into by the Company. No severance fees except the statutory retirement benefits is payable to them.

In case of non-executive Independent Directors, their appointment is governed by the letter of appointment issued to them which contains their roles, duties and responsibilities.

The Company has not granted any stock options to any of its Directors.

(iii) Stakeholder's Relationship Committee

Stakeholder's Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of the SEBI Listing Regulations (including any amendments and re-enactments thereof).

The role of the Stakeholder's Relationship Committee, inter-alia, includes the following:

- Resolving the grievances of the security holders of the listed entity including complaints related

to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the 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.

Composition and Attendance

The Stakeholder's Relationship Committee comprises of 3 Non-Executive Directors. The Non-Executive Non Independent Director acts as a Chairman of the Committee.

During the year ended March 31, 2025, four (4) meetings of the Stakeholder's Relationship Committee were held on the following dates:

(i) May 22, 2024 (ii) August 07, 2024 (iii) November 14, 2024 (iv) February 11, 2025

The composition and attendance in meetings is as under:

Name of the Directors	No. of Meetings Attended
Mr. Navin Juneja, Chairman	4
Mr. Anuj Talwar, Member	4
Mr. Tarun Singhal, Member	3

The Committee attends to the investor's grievances/ correspondence expeditiously.

Status of queries/complaints received and resolved during the year ended March 31, 2025.

Number of Shareholders' Queries/ Complaints received during the year	84
Number of Shareholders Complaints solved to the satisfaction of Shareholders	84
Number of Shareholders Complaints pending as on March 31, 2025	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name and designation of Compliance Officer

Mrs. Seema Narang, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI Listing Regulations. The Company has provided an exclusive Email ID i.e. seema_narang@talbros.com for the members to send their queries/grievances to the concerned department so that the queries/complaints are addressed.

Online Dispute Resolution Mechanism (ODR)

SEBI vide its circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 has introduced an Online Dispute Resolution (ODR) mechanism which provides the investors an option for arbitration with Stock Exchanges in case of any dispute with the Company or RTA regarding delay or default in investor service.

In this regard, the Company has placed necessary details under the “Investors” tab on the website of the Company i.e. <https://www.talbros.com/>

(iv) Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility (CSR) Committee of the Board has been constituted in accordance and in compliance with provisions of Section 135 of the Companies Act, 2013.

The terms of reference of the CSR Committee, inter-alia, include formulation of CSR Policy indicating the activities to be undertaken by the Company covered under Schedule VII to the Companies Act, 2013; recommending to the Board the CSR Policy & amount of expenditure on CSR activities; and to monitor the CSR Policy of the Company from time to time.

Composition and Attendance

During the year ended March 31, 2025, two (2) meetings of the Corporate Social Responsibility Committee were held on June 18, 2024 and January 09, 2025. The composition and attendance in meetings is as under:

Name of Director	No. of meetings attended
Mr. Umesh Talwar, Chairman	2
Mr. Amit Burman, Member*	0
Mr. Navin Juneja, Member	2
Mr. Ajay Kumar Vij, Member**	1

With effect from August 07, 2024.

* Ceased to be member of the Committee.

** Appointed as member of the Committee.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details given below:

Financial Year	2021-22	2022-23	2023-24
Venue	Through video conferencing. Deemed venue – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. Deemed venue – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. Deemed venue – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)
Date and Time	September 26, 2022 (Monday), 11.00 A.M.	September 25, 2023 (Monday), 11.00 A.M.	September 25, 2024 (Wednesday), 12.00 Noon.
Special Resolutions Passed	1. Appointment of Mr. Deepak Jain (DIN: 00004972) as an Independent Director of the Company for a period of five years, not liable to retire by rotation.	1. Re-appointment of Mr. Umesh Talwar, Vice Chairman & Managing Director of the Company. 2. Re-appointment of Mr. Anuj Talwar, Joint Managing Director of the Company.	1. Continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155) as Chairman and Non-Executive Non-Independent Director. 2. Re-appointment of Mr. Ajay Kumar Vij (DIN: 00164984) as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Financial Year	2021-22	2022-23	2023-24
		3. Re-appointment and continuation of Mrs. Priyanka Gulati (DIN: 07087707) as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2023. 4. Approval of alteration of Capital Clause of the Memorandum of Association of the Company.	3. Appointment of Mr. Rajat Verma (DIN: 02548070) as an Independent Director for a period of five years, not liable to retire by rotation. 4. Appointment of Mr. Rakesh Vohra (DIN: 00836463) as an Independent Director for a period of five years, not liable to retire by rotation.

No Extra-Ordinary General Meeting was held during the last three financial years.

POSTAL BALLOT

During the year, the Company did not pass any special resolution through Postal Ballot as no voting was conducted through Postal Ballot.

MEANS OF COMMUNICATION

a) Quarterly Results: The quarterly, half-yearly and annual financial results of the Company are submitted to the BSE Limited and National Stock Exchange of India Limited where its equity shares are listed and the same are generally published in Business Standard (English & Hindi) newspaper.

The financial results are also posted on the website of the Company i.e. <https://www.talbro's.com/>

b) Company's Website (<https://www.talbro's.com/>): Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results are displayed on the Company's website. The Company's website <https://www.talbro's.com/> is a comprehensive reference on Talbro's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investors' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, presentations made to institutional investors or to the analysts, information about Company's Registrars and Share Transfer Agents etc.

c) The Management Discussion & Analysis: The Management Discussion & Analysis Report forms part of the Annual Report.

d) Intimation to Stock Exchanges: The Company is timely submitting the required information, statement and report to the BSE Limited and National Stock Exchange of India Limited. The Company intimates BSE Limited and National Stock Exchange of India Limited all price sensitive information which in its opinion are material and of relevance to the shareholders.

All information is filed electronically on online portals of BSE Limited and National Stock Exchange of India Limited, including under the Integrated filing system as prescribed by the Securities and Exchange Board of India (SEBI).

e) Investor Conference Calls: Every quarter, post announcement of financial results, conference calls are organised with institutional investors and analysts. Audio recordings and transcripts of the calls are made available on the website of the Company viz. <https://www.talbro's.com/>

GENERAL SHAREHOLDER INFORMATION

(i) 68th Annual General Meeting

The 68th Annual General Meeting will be held on Thursday, September 25, 2025 at 12:30 p.m. through video conferencing/other audio-visual means.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(ii) Financial Year

The Financial Year of the Company starts from April 01 and ends on March 31 of next year.

(iii) Financial Reporting Calendar:

Un audited Quarterly results for the quarters	Tentative date of Reporting
April – June 2025	Mid of August, 2025
July – September 2025	Mid of November, 2025
October – December 2025	Mid of February, 2026
January – March 2026	4th week of May, 2026

(iv) Dividend Payment Date

The Board of Directors of the Company has recommended a final dividend of 25% on the paid-up equity share capital of the Company to be considered by the members in the forthcoming Annual General Meeting.

The said dividend, if approved by the shareholders, shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of its declaration in addition to the interim dividend @ 10% i.e., ₹ 0.20p/- per equity shares already paid in December, 2024.

(v) Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

(vi) The annual listing fee due to BSE Limited and National Stock Exchange of India Limited for the year 2025-26 has been duly paid.

ISIN of the Equity Shares of the Company is INE187D01029

(vii) Stock Code

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	505160
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	TALBROAUTO

(viii) Registrar & Transfer Agent

The details of the Registrar and Transfer Agents of the Company for Shares held in Physical as well as Electronic Mode are as under:

M/s KFIN Technologies Ltd.

Unit: Talbros Automotive Components Ltd.
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda,
Serilingampally
Hyderabad 500 008, India
Email: rajeev.kr@kfintech.com
Website: <https://www.kfintech.com>

(ix) Share Transfer System

The equity shares of the Company are compulsorily traded in Dematerialised form pursuant to SEBI directive.

In this regard, SEBI vide its notification no. SEBI/LADNRO/GN/2018/24 dated June 08, 2018 and Notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018 amended the provisions of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provided that from April 01, 2019, transfer of securities would not be processed unless the securities are held in the dematerialised form with a depository. In view of the same, now the shares cannot be transferred in the physical mode.

Hence, Members holding shares in physical form are requested to dematerialise their holdings immediately. In terms of the requirements of Regulation 40 of the Listing Regulations, the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. Further, the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (being part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024), has mandated the

REPORT ON CORPORATE GOVERNANCE (Contd.)

listed entities to issue securities for the following service requests only in dematerialised form:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/Exchange of securities certificate;
- iv. Endorsement
- v. Sub-division/Splitting of securities certificate.
- vi. Consolidation of securities certificates/folios;
- vii. Transmission; and
- viii. Transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

The Authorised officials of the Company approve cases of transmission, issue of shares in exchange for subdivided, consolidated, defaced shares etc., and issue of duplicate share certificates/Letter of Confirmations

SEBI has also mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities in physical form. Any service request or complaint received from the Member will not be processed until the aforesaid details/documents are provided to RTA and on or after October 01, 2023, in case any of the above cited documents/details are not available in the folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and prescribed forms in this regard are available on website of the Company at <https://www.talbro's.com/>

The Board has authorised the Stakeholders' Relationship Committee to sub-delegate its powers to the officers of the Company for prompt redressal of investor requests/complaints.

(x) Distribution of Shareholding as on March 31, 2025

Category (Shares)		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5,000	68,193	98.35	1,40,19,179	22.71
5,001	10,000	659	0.95	18,50,096	3.00
10,001	20,000	255	0.37	18,85,179	3.05
20,001	30,000	87	0.13	9,44,887	1.53
30,001	40,000	46	0.07	3,71,338	0.60
40,001	50,000	21	0.03	3,55,150	0.58
50,001	1,00,000	34	0.05	13,34,733	2.16
1,00,001	above	40	0.06	4,09,67,588	66.37
Total		69,335	100.00	6,17,28,150	100.00

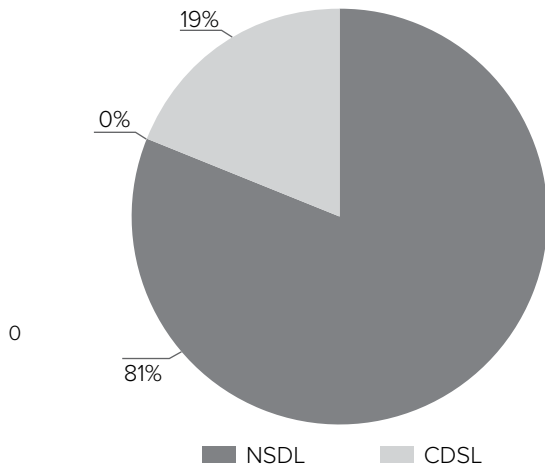
(xi) Dematerialisation of Shares and Liquidity as on March 31, 2025.

Shares of the Company can be held and traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialised form only, by all investors. The Company has entered into agreements with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate trading in dematerialised form in India.

The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2025 is as follows:

Category	No. of shareholders	No. of Equity Shares	% of Capital
Physical	0	0	0.00
NSDL	21,794	5,01,99,694	81.32
CDSL	47,541	1,15,28,456	18.68
Total	69,335	6,17,28,150	100.00

REPORT ON CORPORATE GOVERNANCE (Contd.)

**(xii) Outstanding Stock Option**

There are no outstanding warrants or any convertible instruments as on March 31, 2025.

(xiii) Plant Locations of the Company

The Company has four Gasket Manufacturing Facilities besides Forging Plant. The addresses are as given below:

NAME OF PLANT	LOCATION
Gasket Plant-I and Registered Office	14/1, Delhi Mathura Road, Faridabad-121003 (Haryana)
Gasket Plant-II	Plot No. 68, F-11, MIDC, Pimpri, Pune-411018 (Maharashtra)
Gasket Plant-III	Industrial Shed No B-100, Gat No. 3/1, 3/3(P), 4/1(P) 5(P) & 8/1, Village-Varale. Tal-Khed, Pune – 410501 (Maharashtra)
Gasket Plant-IV	Plot No.B-177, Phase-I, Eldeco-Sidcul Industrial park, Sitargunj, Uttarakhand-262405
Forging Division	Plot no. 39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501 (Haryana)

(xiv) Address for Correspondence

The shareholders may address their communications/ suggestions/grievances/queries to:

Registered Office

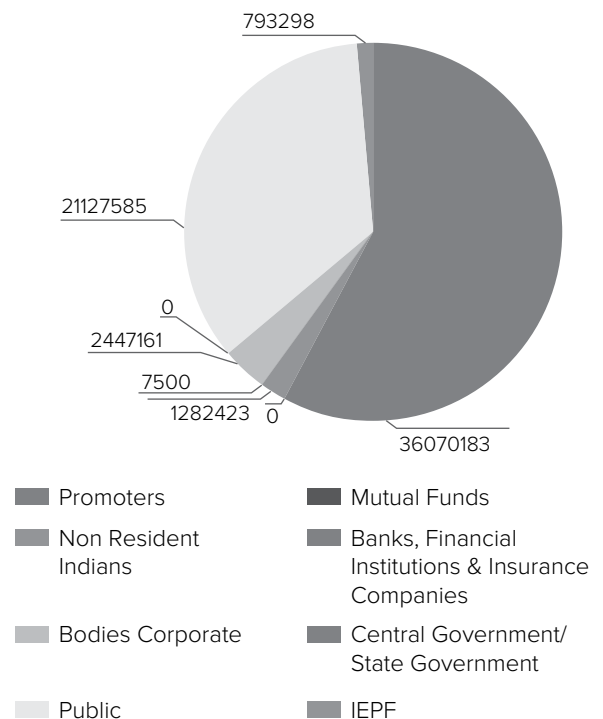
Talbro Automotive Components Ltd
14/1, Delhi Mathura Road, Faridabad-121003
Tel: +91-129- 4960482/4960456/4960400
Email: seema_narang@talbros.com

For all matters relating to investor relations please contact:

The Company Secretary & Compliance officer
Talbro Automotive Components Ltd
14/1, Delhi Mathura Road, Faridabad-121003
Tel: +91-129- 4960456/4960482
Email: seema_narang@talbros.com

(xv) Shareholding Pattern as on March 31, 2025

Category	No. of Shares	% to equity
Promoters	3,60,70,183	58.43
Mutual Funds	-	-
Non Resident Indians	12,82,423	2.08
Banks, Financial Institutions & Insurance Companies	7,500	0.01
Bodies Corporate	24,47,161	3.96
Central Government/State Government	-	-
Public	2,11,27,585	34.23
IEPF	7,93,298	1.29
Total	6,17,28,150	100.00



REPORT ON CORPORATE GOVERNANCE (Contd.)

(xvi) Commodity price risk or foreign exchange risk and hedging activities

Based on the products manufactured or dealt with by the Company, the Company is not exposed to any material commodity price risks. The Company is exposed to foreign exchange risk mainly in respect of exposures relating to export orders. The Company remains substantially hedged through appropriate derivative instruments to minimise the risk and to take advantage of forward premium. The details of unhedged foreign currency exposures and hedging are disclosed in notes to the financial statements.

(xvii) Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in the physical form.

(xviii) Unclaimed Dividends

By virtue of Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid/unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The date of declaration of dividend and corresponding dates when the unpaid/unclaimed dividend is due for transfer to the IEPF are given below:

Year	Date of Declaration	Due date for transfer
2017-18	September 25, 2018	October 23, 2025
2018-19	September 25, 2019	October 23, 2026
2019-20	September 25, 2020	October 23, 2027
2020-21	September 27, 2021	October 25, 2028
2021-22*	February 09, 2022	March 09, 2029
2021-22	September 25, 2022	October 24, 2029
2022-23*	February 08, 2023	March 08, 2030
2022-23	September 25, 2023	October 23, 2030
2023-24*	November 08, 2023	December 12, 2030
2023-24	September 25, 2024	October 23, 2031
2024-25*	November 14, 2024	December 12, 2031

*Interim Dividend

Members who have not encashed their dividend warrants so far in respect of dividend 2017-18 are requested to have the same revalidated to encash and avoid transfer to IEPF as being requested separately by the Company.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder. The nomination facility in respect of shares held in electronic form is also available with the depository participants as per the byelaws of NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Transfer Agents.

(xix) Credit ratings obtained by the Company

Company's Credit Ratings were reaffirmed by CARE Ratings on September 30, 2024 which are mentioned as under:

Facilities	Amount (₹ Crore)	Rating	Rating Action
Long Term Bank Facilities	118.47 (reduced from 123.18)	CARE A+; Stable (Single A Plus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	45.00	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	163.47 (₹ One Hundred Sixty-Three Crore and Forty Seven Lakhs Only)		

OTHER DISCLOSURES

(a) Related Party Transactions

All transactions with Related Parties during the financial year ended March 31, 2025 covered under the Companies Act, 2013 and SEBI Listing Regulations were at arm's length basis, in the ordinary course of business and in accordance with the shareholders' approval.

There were no materially significant Related Party transactions that may have a potential conflict with the interests of the Company at large.

(b) Details of the non-compliance by the Company

During the financial year under review, no penalty has been imposed on the Company by SEBI or any other Statutory Authority.

REPORT ON CORPORATE GOVERNANCE (Contd.)**(c) Details of establishment of Vigil Mechanism/Whistle Blower Policy**

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The employee may also approach the Chairperson of the Audit Committee in exceptional circumstances or issues related to whistle blower victimisation. The Whistle Blower Policy is an extension of the Talbros Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company.

The disclosures reported are addressed in the manner and within the time frames as per Talbros's Global Policy. The Company affirms that no personnel have been denied access to the Audit Committee to make any protected disclosure under the Whistle Blower Policy.

(d) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges and Securities and Exchange Board of India (SEBI) including:

- (i) Corporate governance requirement as specified under Point C of Schedule V of the SEBI Listing Regulations.
- (ii) Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable
- (iii) Treatment as prescribed in the applicable Accounting Standards.

(e) Web Link where Policy for determining material subsidiaries is disclosed

Company does not have any subsidiary, and will formulate policy for determining material subsidiaries as and when required.

(f) Web Link where Policy on dealing with Related Party Transactions is disclosed

The Company has framed a Policy for related party transactions and the same is available on Company's website at following link and the details of related party

transactions are given in the Notes to the financial statements:

<https://www.talbro.com/policies-and-codes>

(g) Risk Management

The Company has defined and adopted a Risk Management Process and has also set up a core group of leadership team, which assesses the risks and lays down the procedure for minimisation of the risks as an ongoing process integrated with operations.

The above facilitates not only in risk assessment and timely rectification but also help in minimisation of risk associated with respective business operations and periodic reporting to Board as and when required.

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors & Senior Management. The Code has been circulated to all employees and also posted on Company's website <https://www.talbro.com/>. All Board members and senior personnel have affirmed compliance with the code.

A certificate from Managing Director and Chief Financial Officer on the financial statements of the Company was placed before the Board.

(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

No funds have been raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year ended on March 31, 2025.

(i) Directors Non-Disqualification Certificate

Certificate as required under Part C of Schedule V of Listing Regulations, received from Kiran Sharma & Co., Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on May 26, 2025. The said certificate forms a part of this report.

(j) Recommendation of the Board's Committees

All recommendations of the various committees were accepted by the Board.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(k) Details of total fees paid to Statutory Auditors

Details of total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditors are provided under Note No. 31 to the Standalone financial statements.

(l) Disclosure in relation to Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of harassment at workplace as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel.

The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommendation for appropriate action.

No complaints have been filed/disposed of/pending during the financial year 2024-25.

(m) Code of Conduct for prevention of Insider Trading

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines which advise on procedure to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of non-compliances.

(n) Disclosure of accounting treatment

The financial statements of the Company have been prepared in accordance with the Section 133 of the Companies Act, 2013 and Indian Accounting Standard Rules, 2015, which became applicable on the Company w.e.f. April 01, 2017.

The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

(o) Managing Director/CFO certification

The certificate from Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Manish Khanna, Chief

Financial Officer of the Company as placed before the Board in terms of Regulation 17(8) of the SEBI Listing Regulations is enclosed at the end of this Report.

(p) Disclosure of loans and advances in the nature of loans to firms/companies in which directors are interested of the Company and subsidiaries

During the year, the Company has not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

Adoption of Discretionary Requirements

With respect to the discretionary requirements as per Regulation 27(1) and Part E of Schedule II to SEBI Listing Regulations, the Company has a Non-Executive Chairman and the Company also has a record of unmodified audit opinion on the financial statements as is evident from the audit reports of previous financial years. The Company endeavors to continue the same.

Disclosure with respect to Demat suspense account/unclaimed suspense account

Your Company has two separate Suspense Escrow Demat Accounts titled as "Talbro's Automotive Components Limited - Suspense Escrow Demat Account" opened with HDFC Bank Limited, New Delhi.

The first Demat Account has been opened for the purpose of crediting the shares in case the shareholder fails to submit the Demat request within 120 days from the date of issuance of Letter of Confirmation; and

Pursuant to split/sub-division of the equity shares of the Company of ₹ 10/- each into five equity shares of ₹ 2/- each on October 27, 2023, the Company has opened the second Escrow Demat Account for the purpose of transfer of the shares of the shareholders in that account who were holding shares in physical mode as on the date of split of shares. The Company releases the aforesaid shares as and when requests from respective shareholders are received by the Company.

Compliance Certificate regarding compliance of conditions of Corporate Governance

As required under Schedule V, Part E of the Listing Regulations, the Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance forms part of this Report.

**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015**

To

The Members of

Talbro's Automotive Components Limited

CIN: L29199HR1956PLC033107

14/1, Mathura Road,

Faridabad-121003, Haryana

We have examined all the relevant records for the purpose of certifying all the conditions of compliance of Corporate Governance by **Talbro's Automotive Components Limited** having **CIN: L29199HR1956PLC033107** ("the Company"), for the Financial Year ended on March 31, 2025 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility include the design, implementation and maintenance of Internal Control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kiran Sharma & Co.
Company Secretaries**

Sd/-

Kiran Sharma

(Proprietor)

M. No.: 4942

CP No.: 3116

Place: New Delhi

Date: May 26, 2025

UDIN: F004942G000428541

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Talbro's Automotive Components Limited
14/1, Mathura Road,
Faridabad-121003, Haryana

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Talbro's Automotive Components Limited having CIN L29199HR1956PLC033107** and having registered office at 14/1, Mathura Road, Faridabad-121003, Haryana and (hereinafter referred to as 'the Company'), produced before me 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 Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 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:

S. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Mr. Naresh Talwar	00059155	July 15, 2001	-
2	Mr. Umesh Talwar	00059271	April 18, 2000	-
3	Mr. Varun Talwar	00263984	August 14, 2008	-
4	Mr. Vidur Talwar	00114643	February 12, 2015	-
5	Mr. Anuj Talwar	00628063	July 14, 2012	-
6	Mr. Navin Juneja	00094520	November 12, 2010	-
7	Mr. Ajay Kumar Vij	00164984	January 02, 2019	-
8	Mrs. Priyanka Gulati	07087707	May 25, 2018	-
9	Mr. Tarun Singhal	07056960	June 18, 2020	-
10	Mr. Deepak Jain	00004972	December 29, 2021	-
11	Mr. Rajat Verma	02548070	August 07, 2024	-
12	Mr. Rakesh Vohra	00836463	August 07, 2024	-
13	Mr. Anil Kumar Mehra	00004654	January 31, 2004	September 11, 2024
14	Mr. Amit Burman	00042050	June 25, 2008	September 11, 2024

Ensuring the eligibility of 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 Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
(Proprietor)
M. No.: 4942
CP No.: 3116
UDIN: F004942G000428486

Place: New Delhi
Date: May 26, 2025

DECLARATION FOR CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2025.

For Talbros Automotive Components Ltd

Sd/-

Umesh Talwar

(Vice Chairman & Managing Director)

DIN: 00059271

152, Malcha Marg, Diplomatic Enclave,
New Delhi-110021

Place: Gurugram

Date: May 26, 2025

**CERTIFICATE BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY UNDER
REGULATION 17(8) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

We, Umesh Talwar, Vice Chairman & Managing Director and Manish Khanna, Chief Financial Officer of Talbros Automotive Components Limited to the best of our knowledge and belief, certify that-

- A. We have reviewed the Audited Financial Results of the Company for the Financial Year ended March 31, 2025 and that to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or figures or omit any material fact or contain statements or figures that might be misleading;
 2. 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.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there were no deficiencies in the design or operation of internal control which came to our notice.
- D. We have indicated to the Auditors and the Audit Committee, wherever required:
 1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

Umesh Talwar

Vice Chairman and Managing Director

DIN: 00059271

Place: Gurugram

Date: May 26, 2025

Manish Khanna

Chief Financial Officer

PAN: AFNPK9894A

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Talbros Automotive Components Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Talbros Automotive Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement for Cash Flows for the year ended on that date, and notes to the financial statement including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at March 31, 2025, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Valuation Of complex instruments involving high estimation uncertainty The Company has material long-term investments in group companies which are un-quoted.	Principal Audit Procedures We have verified the company's shareholding in the investment in equity instruments which are fair valued by the company. We have verified the reasonableness of the assumptions used and the valuation technique used to determine the fair value.

Information other than the Standalone 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 Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone 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 in this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (Contd.)

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors and management are 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 is responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our Objectives are to obtain reasonable assurance about whether the standalone 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 decision of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to 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 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 an 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 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

Independent Auditors' Report (Contd.)

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 standalone 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 the law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
 - (e) On the basis of the written representations received as on March 31, 2025, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025, 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 the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the company. 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to Note 39 to the standalone financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to Investor Education and Protection Fund by the Company.
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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

Independent Auditors' Report (Contd.)

- person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures 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), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 37(B) to the standalone financial statements:
- (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable;
- (b) The interim dividend declared and paid by the Company during the year complies with Section 123;
- (c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Based on our examination, which included test checks, the Company has used three accounting software namely Oracle Platform-based ERP Software, Integral Infogen Technology Private Limited (ERP 10 G) and SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2025.
- (a) Oracle Platform-based ERP software has a feature of recording audit trail (edit log) facility and the same has operated from 1st April 2024 till 31st August 2024 for all relevant transactions recorded in the software.
- (b) SAP Business One software has a feature of recording an audit trail (edit log) facility, and the same has operated from 1st September 2024 the same has subsequently operated throughout the year for all relevant transactions recorded in the software.
- (c) Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.
- Further, during our audit, we did not come across any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Independent Auditors' Report (Contd.)

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

For J. C. Bhalla & Co.

Chartered Accountants

Firm's Registration No. 001111N

(Piyush Tripathi)

Partner

Membership No. 524288

UDIN: 25524288BMHXQH5885

Place : Gurugram

Dated: May 26, 2025

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Talbros Automotive Components Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over the financial reporting of **Talbros Automotive Components Limited** (“the Company”) as of March 31, 2025, in conjunction with our audit of the standalone 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.

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 the 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 The Institute of Chartered Accountants of India 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and those 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 the prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Annexure “A” to the Independent Auditor’s Report (Contd.)**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, 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, 2025

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.

For J. C. Bhalla & Co.

Chartered Accountants

Firm’s Registration No. 001111N

(Piyush Tripathi)

Partner

Membership No. 524288

UDIN: 25524288BMHXQH5885

Place : Gurugram

Dated: May 26, 2025

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 Automotive Components Limited of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, investment property, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment, Right-of-use Assets, Investment Property and Capital Work-in-Progress so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, Right of use Assets, Investment Property and Capital Work-in-Progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed in such verification
- (c) Based on our examination of the property tax receipts and lease agreements for the land on which the building is constructed and confirmation from the lenders with whom title deeds have been deposited as security for availing the banking facilities, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and Investment Property are held in the name of the company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March

31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- ii. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year, except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were less than 10% in aggregate for each class of inventory and the same has been properly dealt within books of account.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in the aggregate, from banks on the basis of security of current assets during the year and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company. Items of reconciliation have been duly identified between the quarterly returns and books of account of the company.
- iii. The Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (c), (d), (e) and (f) of the Order are not applicable. The Company has made investment during the year, in respect of which the requisite information is as below.
- a. As per the information and explanations given to us, the Company has made in investment in the entity as below:

(Amount in lacs)

Particulars	Amount invested during the year	Balance outstanding as at year-end
Investment in Caparo Power Limited	1.00	1.00

- b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investment made is prima facie not prejudicial to the interest of the company.

Annexure 'B' to the Independent Auditor's Report (Contd.)

- iv. In our opinion and according to the information and explanations given to us, the Company has not entered any transaction covered under section 185 of the Act. However, the company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, regarding the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard. The Company has not accepted any amounts which are deemed to be deposits, and hence reporting under clause 3 (v) of the order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost

records under sub-section (l) of Section 148 of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the amounts relate	Forum where the dispute is pending
Finance Act, 1994	Cenvat-Credit disallowed	8.85	-	2007-08 to 2010-11	Assistant Commissioner Faridabad
Custom Act, 1962	Demand of Custom Duty	28.12	4.13	FY 2012-13, 2014-15, 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
Custom Act, 1962	Demand of Custom Duty	7.97	-	2013-14	Deputy Commissioner of Customs, Delhi
Uttarakhand VAT Act, 2005	Value Added tax	5.34	-	FY 2016-17	Deputy Commissioner
Income Tax Act	Income Tax	871.51	283.26	FY 2012-13, 2015-16, 2016-2017, 2017-18	CIT(Appeals)

Annexure 'B' to the Independent Auditor's Report (Contd.)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures.
- x. (a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios disclosed in note 43F to the Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial

Annexure 'B' to the Independent Auditor's Report (Contd.)

liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of the 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. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing

projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) In our opinion, there are no ongoing projects and accordingly reporting under clause 3(xx)(b) of the Order is not applicable.

For J. C. Bhalla & Co.

Chartered Accountants

Firm's Registration No. 001111N

(Piyush Tripathi)

Partner

Place : Gurugram

Dated: May 26, 2025

Membership No. 524288

UDIN: 25524288BMHXQH5885

BALANCE SHEET

as at March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	March 31, 2025	March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	2	21,768.57	20,895.59
Capital work in progress	2	2,273.69	734.77
Investment property	3	248.82	265.48
Intangible assets	4	33.91	56.37
Financial assets			
Investments	5	16,668.73	15,966.00
Other financial assets	7A	3,118.48	7,066.15
Non-current tax assets	8	165.19	325.30
Other non-current assets	9A	347.36	670.30
Total non-current assets		44,624.75	45,979.96
Current assets			
Inventories	10	12,585.38	12,677.19
Financial assets			
Trade receivables	11	24,569.56	21,032.75
Cash and cash equivalents	12	1,484.29	236.05
Other bank balances	13	4,820.08	283.48
Loans	6	158.46	270.43
Other financial assets	7B	190.76	156.41
Other current assets	9B	2,345.81	2,420.80
Total current assets		46,154.34	37,077.11
Total assets		90,779.09	83,057.07
Equity and liabilities			
Equity			
Equity share capital	14	1,234.56	1,234.56
Other equity	15	57,754.28	49,867.54
Total equity		58,988.84	51,102.10
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16A	357.26	342.48
Lease liabilities	17A	804.00	987.13
Other financial liabilities	18A	48.20	25.13
Provisions	19A	266.98	211.87
Deferred tax liabilities	20	3,466.15	3,346.69
Other non-current liabilities	21A	16.44	109.82
Total non-current liabilities		4,959.03	5,023.12
Current liabilities			
Financial liabilities			
Borrowings	16B	7,951.00	8,277.49
Lease liabilities	17B	269.57	263.15
Trade payables	22		
(i) total outstanding dues of micro enterprises and small enterprises		888.37	847.81
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16,069.46	15,920.15
Other financial liabilities	18B	799.27	864.38
Other current liabilities	21B	717.05	626.12
Provisions	19B	136.50	132.75
Total current liabilities		26,831.22	26,931.85
Total equity and liabilities		90,779.09	83,057.07
The accompanying notes form an integral part of these financial statements	1-47		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

For and on behalf of Talbro's Automotive Components Limited

per Piyush Tripathi
Partner
Membership No. 524288

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Place: Gurugram
Date: May 26, 2025

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Seema Narang
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue			
Revenue from operations	23	82,705.22	77,826.68
Other income	24	1,885.61	1,377.47
Total income		84,590.83	79,204.15
Expenses			
Cost of materials consumed	25	43,057.70	41,158.83
Purchase of stock-in-trade	26	405.92	495.76
Changes in inventories of finished goods, stock in trade and work in progress	27	(528.56)	593.84
Employee benefits expenses	28	9,225.85	8,111.90
Finance costs	29	1,369.65	1,326.54
Depreciation and amortisation expense	30	3,187.81	2,591.09
Other expenses	31	17,585.19	16,001.17
Total expenses		74,303.56	70,279.13
Profit before exceptional items and tax		10,287.27	8,925.02
Exceptional items	32	-	7,653.48
Profit before tax		10,287.27	16,578.50
Tax expense	33		
Current tax		2,529.10	3,718.89
Deferred tax		(41.77)	(31.87)
Earlier years tax adjustments (net)		12.69	(14.74)
Total tax expense		2,500.02	3,672.28
Profit for the year		7,787.25	12,906.22
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(8.92)	(42.52)
Changes in fair value of FVOCI equity instruments		701.73	8,310.68
Income tax relating to items that will not be reclassified to profit or loss		(161.23)	(1,925.36)
Total other comprehensive income for the year		531.58	6,342.80
Total comprehensive income for the year		8,318.83	19,249.02
Earnings per equity share (Face value ₹ 2 per share)	34		
Basic (₹)		12.62	20.91
Diluted (₹)		12.62	20.91

The accompanying notes form an integral part of these financial statements

This is the statement of profit or loss referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 26, 2025

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
Balance as at April 01, 2023	848.23	15.21	4,678.30	21,710.70	3,736.44	30,988.88
Profit for the year	-	-	-	12,906.22	-	12,906.22
Other comprehensive income for the year (net of tax impact)	-	-	-	(31.82)	6,374.62	6,342.80
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(370.36)	-	(370.36)
Balance as at March 31, 2024	898.23	15.21	4,678.30	34,164.74	10,111.06	49,867.54
Profit for the year	-	-	-	7,787.25	-	7,787.25
Other comprehensive income for the year (net of tax impact)	-	-	-	(6.67)	538.25	531.58
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(432.09)	-	(432.09)
Balance as at March 31, 2025	948.23	15.21	4,678.30	41,463.23	10,649.31	57,754.28

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per Piyush Tripathi
Partner
Membership No. 524288

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Place: Gurugram
Date: May 26, 2025

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Seema Narang
Company Secretary

STATEMENT OF CASH FLOW

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,287.27	16,578.50
Adjustments for:		
Depreciation on property, plant and equipment, investment property and intangible assets	3,187.81	2,591.09
Profit on sale of property, plant and equipment (net)	(158.76)	(74.43)
Interest income	(600.33)	(163.38)
Profit on sale of investment in joint venture	-	(7,653.48)
Dividend income	(473.28)	(467.63)
Allowance for doubtful debts (net)	135.00	180.61
Unrealised foreign exchange gain	(130.30)	(18.41)
Advances written off	96.01	15.62
Provisions no longer required written back	(95.90)	-
Finance costs	1,369.65	1,326.54
Operating profit before working capital changes	13,617.17	12,315.03
Movement in working capital		
Change in inventories	91.82	576.02
Change in Trade receivables, other financial and non-financial assets	(3,511.16)	(3,895.04)
Change in Trade payable, other financial and non-financial liabilities	185.78	(54.44)
Cash generated from operating activities post working capital changes	10,383.61	8,941.57
Income tax paid (net)	(2,381.68)	(2,266.66)
Net cash generated from operating activities (A)	8,001.93	6,674.91
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(5,378.42)	(6,009.98)
Proceeds from sale of property, plant and equipment	313.18	200.65
Purchase of non-current investments	(1.00)	-
Sale of investment in joint venture	-	6,594.73
(Net of tax ₹ 1,538.75 Lacs and related expenses of ₹ 46.52 Lacs)		
Movement in other bank balances	(209.06)	(6,617.99)
Proceeds from intercorporate deposits	105.00	105.00
Dividend received	473.28	467.63
Interest received	231.65	84.24
Net cash used in investing activities (B)	(4,465.37)	(5,175.72)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	108.66	540.84
Repayment of term borrowings	(424.74)	(611.41)
Payment towards lease liabilities	(280.62)	(53.07)
Dividend paid	(436.24)	(379.56)
Interest paid	(1,255.38)	(1,288.35)
Net cash used in financing activities (C)	(2,288.32)	(1,791.55)
Increase/ (decrease) in cash and cash equivalents (A+B+C)	1,248.24	(292.36)
Cash and cash equivalents at the beginning of the year	236.05	528.41
Cash and cash equivalents at the end of the year (Refer note 12)	1,484.29	236.05

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per Piyush Tripathi
Partner
Membership No. 524288

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Place: Gurugram
Date: May 26, 2025

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Seema Narang
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2025

1. CORPORATE INFORMATION

Talbro's Automotive Components Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Company is in the business of manufacturing Gaskets and forging. The Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

These financial statements are standalone financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2025 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 26, 2025.

1.1 Material Accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured using actuarial valuation.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to

make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets

– The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets

– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Leases – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

*Significant estimates***Useful lives of depreciable/amortisable assets** –

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

d) Inventory

Inventories are valued as follows:

Raw material, stores and spares

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with In AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

e) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working

condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company and the benefit shall be availed over a period of more than 1 year. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	Useful life
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed,

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

or significant components replaced; depreciation on such assets is calculated on a pro rata basis on individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

f) Intangible assets***Recognition and initial measurement***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any

change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Computer Software	3-5 years
Technical know how	10 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

properties recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

h) Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the

commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Company does not have any finance lease as a lessor.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

j) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.

4. Allocating the transaction price to the performance obligations.

5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

Sale of goods and services

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated.

Revenue from services is recognised when Company satisfies the performance obligations by transferring the promised services to its customers.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

k) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost –

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

- **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument-to-instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI).

There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

m) Investment in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**n) Retirement and other employee benefits
Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has

no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absence

Compensated absence, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

Other short-term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. 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).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

p) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

1.2 Other accounting policy information

a) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

c) 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 calculated using the effective interest rate and other costs like finance charges in respect of the leases recognised in accordance with Ind AS 116, 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.

d) Foreign currency transactions*Functional and presentation currency*

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional and presentation currency.

*Foreign currencies**Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at exchange rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

All other exchange differences are charged to the statement of profit and loss.

e) Other income**Dividend income**

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Export incentives

Export incentives are accounted on accrual basis.

f) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.3 Recent accounting pronouncements which are not yet effective

As on date of these standalone financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards, which are effective from April 01, 2025.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
Gross block														
As at April 01, 2023	693.56	413.99	34.23	3,493.39	26,999.11	443.04	27.80	664.52	347.44	960.01	105.72	10.52	34,193.33	477.73
Additions	-	-	1,344.26	662.06	4,511.48	23.68	-	81.48	66.42	128.43	-	-	6,817.81	1,064.36
Disposals/transfers	-	-	-	-	(3,425.05)	(35.25)	-	(118.31)	(36.99)	(34.25)	(62.69)	-	(3,712.54)	(807.32)
Balance as at March 31, 2024	693.56	413.99	1,378.49	4,155.45	28,085.54	431.47	27.80	627.69	376.87	1,054.19	43.03	10.52	37,298.60	734.77
Additions	-	-	-	101.39	3,860.79	97.14	-	28.91	46.91	61.34	-	-	4,196.48	2,604.49
Disposals/transfers	-	-	-	-	(456.44)	(65.94)	-	(16.37)	(13.26)	-	-	-	(552.01)	(1,065.57)
Balance as at March 31, 2025	693.56	413.99	1,378.49	4,256.84	31,489.89	462.67	27.80	640.23	410.52	1,115.53	43.03	10.52	40,943.07	2,273.69
Accumulated depreciation														
As at April 01, 2023	-	67.22	28.91	1,572.45	13,819.56	211.32	27.80	579.67	280.01	700.12	99.49	10.44	17,396.99	-
Charge for the year	-	4.60	73.06	151.80	2,166.69	61.18	-	52.46	34.43	39.98	1.61	-	2,585.81	-
Disposals/transfers	-	-	-	-	(3,298.14)	(33.77)	-	(118.31)	(35.90)	(30.98)	(62.69)	-	(3,579.79)	-
Balance as at March 31, 2024	-	71.82	101.97	1,724.25	12,688.11	238.73	27.80	513.82	278.54	709.12	38.41	10.44	16,403.01	-
Charge for the year	-	4.60	247.05	275.82	2,384.07	56.20	-	59.43	58.49	82.22	1.19	-	3,169.07	-
Disposals/transfers	-	-	-	-	(311.47)	(56.45)	-	(16.37)	(13.29)	-	-	-	(397.58)	-
Balance as at March 31, 2025	-	76.42	349.02	2,000.07	14,760.71	238.48	27.80	556.88	323.74	791.34	39.60	10.44	19,174.50	-
Net block as at March 31, 2025	693.56	337.57	1,029.47	2,256.77	16,729.18	224.19	-	83.35	86.78	324.19	3.43	0.08	21,768.57	2,273.69
Net block as at March 31, 2024	693.56	342.17	1,276.52	2,431.20	15,397.43	192.74	-	113.87	98.33	345.07	4.62	0.08	20,895.59	734.77
(i) Expenditures capitalised in the carrying amount of property plant and equipment														
The Company has capitalised the following expenses under Plant and equipment (dies and moulds):														
Nature of expense											March 31, 2025		March 31, 2024	
Salaries and wages											208.94		198.55	
Depreciation											54.54		43.69	
Power and fuel											119.88		112.47	
Repairs and maintenance											78.45		66.76	
Processing charges and consumable											505.39		428.16	
Total											967.20		849.63	

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
Gross block			
As at April 01, 2023	40.77	512.27	553.04
Additions/transfers	-	-	-
As at March 31, 2024	40.77	512.27	553.04
Additions/transfers	-	-	-
Balance as at March 31, 2025	40.77	512.27	553.04
Accumulated depreciation			
As at April 01, 2023	-	270.90	270.90
Charge for the year	-	16.66	16.66
As at March 31, 2024	-	287.56	287.56
Charge for the year	-	16.66	16.66
Balance as at March 31, 2025	-	304.22	304.22
Net block as at March 31, 2025	40.77	208.05	248.82
Net block as at March 31, 2024	40.77	224.71	265.48

(i) Amount recognised in profit and loss for investment property

Particulars	March 31, 2025	March 31, 2024
Rental income	296.16	245.31
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property before depreciation	296.16	245.31
Less: depreciation expense	16.66	16.66
Profit from leasing of investment property after depreciation	279.50	228.65

*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

(ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 39 (ii) for details on future minimum lease rentals.

(iii) Fair value of investment property:

Particulars	March 31, 2025	March 31, 2024
Fair value	830.38	837.47

The Company obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Company considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 4 INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Total
Gross block			
As at April 01, 2023	401.96	494.16	896.12
Additions	21.37	-	21.37
Disposals	(37.10)	-	(37.10)
Balance as at March 31, 2024	386.23	494.16	880.39
Additions	4.39	29.78	34.17
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	385.36	523.94	909.30
Accumulated amortisation			
As at April 01, 2023	378.17	450.64	828.81
Amortisation charge for the year	15.76	16.55	32.31
Disposals	(37.10)	-	(37.10)
Balance as at March 31, 2024	356.83	467.19	824.02
Amortisation charge for the year	10.30	46.33	56.63
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	361.87	513.52	875.39
Net block as at March 31, 2025	23.49	10.42	33.91
Net block as at March 31, 2024	29.40	26.97	56.37

Notes:**(i) Research and development expenses**

Refer note 42 for expenses incurred on research and development activities.

NOTE - 5 INVESTMENTS

	As at March 31, 2025	As at March 31, 2024
A Investments		
(i) Investments in equity instruments		
Joint ventures *		
(Unquoted, at cost)		
Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2024: 11,780,000 shares) of ₹ 10 each	1,178.00	1,178.00
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2024: 9,500,000 shares) of ₹ 10 each	950.00	950.00
Others^		
(Unquoted, at fair value through other comprehensive income)		
QH Talbros Private Limited 177,962 shares (March 31, 2024: 177,962 shares) of ₹ 10 each	240.57	190.99
Talbros International Private Limited 1,326,970 shares (March 31, 2024: 1,326,970 shares) of ₹ 10 each	14,128.78	13,393.24
T & T Motors Limited 83,333 shares (March 31, 2024: 83,333 shares) of ₹ 10 each	170.38	253.77
Others		
(Unquoted, at fair value through profit and loss)		
Caparo Power Limited 2378 equity shares of ₹ 42.04 each	1.00	-
	16,668.73	15,966.00

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 5 INVESTMENTS (CONTD.)

	As at March 31, 2025	As at March 31, 2024
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	16,668.73	15,966.00
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2025	As at March 31, 2024
Marelli Talbro's Chassis Systems Private Limited	India	50.00%	50.00%
Talbro's Marugo Rubber Private Limited	India	50% less one share	50% less one share

* Equity investments in joint ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

^The Company holds investment in unquoted equity instruments that are not held for trading but are maintained for medium to long-term strategic purposes. Due to the absence of an active market and the wide range of possible fair value measurements, determining a reliable fair value is impracticable. Furthermore, the cost of obtaining such fair value information would outweigh the benefits to users of the financial statements. Accordingly, cost has been considered the best estimate of fair value.

NOTE - 6 LOANS - CURRENT

(Unsecured, considered good)

Inter-corporate deposits	158.46	270.43
	158.46	270.43

NOTE - 7

A Other financial assets - non-current

(Unsecured, considered good)

Security deposits	264.40	244.60
Bank deposits with more than 12 months maturity*	2,854.08	6,821.55
	3,118.48	7,066.15

*Under lien with banks amounting to ₹ 6.04 Lacs (Previous Year - ₹ 127.91 Lacs) as security against borrowings.

B Other financial assets - current

(Unsecured, considered good)

Recoverable from employees	40.96	15.23
Security deposits	25.27	27.87
Derivative assets on forward contracts	51.63	40.41
Claims and other recoverable	72.90	72.90
	190.76	156.41

NOTE - 8

Non-current tax assets	March 31, 2025	March 31, 2024
Advance income tax	2,694.29	4,044.19
Less: Provision for taxation	(2,529.10)	(3,718.89)
	165.19	325.30

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 9**A Other non-current assets**

	March 31, 2025	March 31, 2024
Prepaid expenses	10.19	8.30
Accrued lease income	35.58	23.82
Capital advances	301.59	638.18
	347.36	670.30

B Other current assets

Advances to suppliers		
- Considered good	642.55	673.79
- Considered doubtful	56.84	36.84
Balance with government authorities		
- Considered good	929.48	1,057.94
- Considered doubtful	167.45	123.10
Prepaid expenses	156.85	161.28
Insurance claim receivables	11.84	16.29
Surplus planned assets	266.56	217.37
Accrued lease income	1.43	2.70
Others	337.10	291.43
	2,570.10	2,580.74
Less : Provision for doubtful advances	(224.29)	(159.94)
	2,345.81	2,420.80

NOTE - 10 INVENTORIES

(Lower of cost or net realisable value)		
Raw material	4,873.34	5,463.24
Work in progress	4,063.35	3,768.01
Finished goods including stock in trade	3,060.83	2,827.61
Stores and spares	587.86	618.33
	12,585.38	12,677.19
i) The above includes goods in transit as under:		
Raw material	1,207.29	1,264.34
Stores and spares	-	-
	1,207.29	1,264.34

NOTE - 11 TRADE RECEIVABLES^

Trade receivables - considered good, unsecured	24,569.56	21,032.75
Trade receivables - which have significant increase in credit risk	88.47	57.14
Trade receivables - credit impaired	455.27	511.85
	25,113.30	21,601.74
Less: Allowance for expected credit loss	(543.74)	(568.99)
	24,569.56	21,032.75

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 11 TRADE RECEIVABLES^ (CONTD.)

	March 31, 2025	March 31, 2024
Includes trade receivables from companies in which directors are interested^		
Talbro's Marugo Rubber Private Limited	8.19	33.05
QH Talbro's Private Limited	1,069.58	1,760.80
Talbro's Indiparts Private Limited	665.06	918.68

*Refer note 43 for ageing details.

^Refer note 38 for related party transactions.

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 36.

NOTE - 12 CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Cash on hand	10.41	23.66
Balances with banks		
-in current accounts	1,457.97	105.70
Deposits with original maturity less than 3 months	15.91	106.69
	1,484.29	236.05

NOTE - 13 OTHER BANK BALANCES

Deposits with maturity of not less than 3 months but not more than 12 months	4,335.53	3.80
Margin money deposits (under lien with banks)	463.62	254.61
Earmarked balances with banks		
- Unpaid dividend account	20.93	25.07
	4,820.08	283.48

NOTE - 14 EQUITY SHARE CAPITAL

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
i Authorised				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
	10,00,00,000	2,000.00	10,00,00,000	2,000.00
ii Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	6,17,28,150	1,234.56	6,17,28,150	1,234.56
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
Changes during the year	-	-	-	-
Balance at the end of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56

iv Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 14 EQUITY SHARE CAPITAL (CONTD.)**v Details of equity shares held by shareholders holding more than 5% shares in the Company**

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	%	No. of shares	%
Name of the equity shareholders	2,64,77,983	42.89%	2,64,77,983	42.89%
Talbros International Private Limited				

- vi** There are no shares issued for consideration other than cash and no shares have been bought back in last five years.
- vii** There are no shares reserved for issue under options or other purpose.
- viii** The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

NOTE - 15 OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
General reserve	948.23	898.23
Retained earnings	41,463.23	34,164.74
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	10,649.31	10,111.06
Total other equity	57,754.28	49,867.54

Nature and purpose of other reserves**i General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

ii Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

iii Capital reserve

Capital reserve includes the amount of share application money forfeited by the Company.

iv Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

v Equity instruments through other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 16

A Long term borrowings

	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans		
From banks - Rupee loan		
- Yes bank	294.62	330.68
- Vehicle Loans	62.64	11.80
	357.26	342.48
Amount disclosed under other financial liabilities and Short-term borrowings:		
Current maturity of long-term debts	166.48	352.77
Interest accrued on borrowings	73.25	66.55

Notes:

- The Company has taken vehicle loans from banks. The amount is secured against moveable fixed assets.
- Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2025	March 31, 2024
Term loans, secured				
From banks - Rupee loan				
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	March 31, 2025: 8.00% to 8.15% March 31, 2024: 7.10% to 7.10%	62.64	11.80
Yes Bank	60 equal monthly instalment after 12 months moratorium period from the date of first disbursement.	March 31, 2025 - 8.85% to 9.50% March 31, 2024 - 8.50% to 9.50%	294.62	330.68
			357.26	342.48

	As at March 31, 2025	As at March 31, 2024
B Short term borrowings		
Current maturity of long-term borrowings	166.48	352.77
Secured		
a) Working capital loan from bank		
HDFC Bank*	3,908.19	3,606.18
DBS Bank*	84.33	87.64
Yes Bank*	300.00	300.00
Axis Bank*	1,500.00	1,884.34
Federal Bank *	1,315.59	2,046.56
ICICI Bank*	676.41	-
	7,951.00	8,277.49

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 16 (CONTD.)**Notes:**

* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank, ICICI Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

Short-term borrowings (excluding current maturities of long-term borrowings)

Particulars	Terms of repayment	Interest Rate	March 31, 2025	March 31, 2024
Working capital loan, secured				
HDFC Bank	Within 365 days	March 31, 2025: 4.96% to 8.71% March 31, 2024: 4.00% -9.85%	3,908.19	3,606.18
DBS Bank	Within 365 days	March 31, 2025: 9.05% to 9.60% March 31, 2024: 4.25%-9.05%	84.33	87.64
Yes Bank	Within 365 days	March 31, 2025: 6.32% to 8.40% March 31, 2024: 4.95% - 7.00%	300.00	300.00
Axis Bank	Within 365 days	March 31, 2025: 8.17% to 8.35% March 31, 2024: 6.25% -8.95%	1,500.00	1,884.34
Federal Bank	Within 365 days	March 31, 2025: 6.15% to 8.35% March 31, 2024: 4.00% - 8.95%	1,315.59	2,046.56
ICICI Bank	Within 365 days	March 31, 2025: 8.20% to 9.25% March 31, 2024: Nil	676.41	-
			7,784.52	7,924.72

C Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings [^]	Total
As at March 31, 2024	1,250.28	695.25	7,932.72	9,878.25
Cash flow:				
- Proceeds from Borrowings	-	253.23	(144.57)	108.66
- Additions	-	-	-	-
- Repayment (including matured deposits)	(280.62)	(424.74)	-	(705.36)
Other non-cash movements:				
- Accrual of interest on lease liabilities	103.91	-	-	103.91
As at March 31, 2025	1,073.57	523.74	7,788.15	9,385.46

[^]including unclaimed matured deposits

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
NOTE - 17		
A Lease liabilities - non-current		
Lease liabilities	804.00	987.13
	804.00	987.13
B Lease liabilities - current		
Lease liabilities	269.57	263.15
	269.57	263.15
NOTE - 18		
A Other financial liabilities - non-current		
Security deposits	48.20	25.13
	48.20	25.13
B Other financial liabilities - current		
Interest accrued on borrowings	73.25	66.55
Employee related payables	609.81	670.71
Security deposits	63.10	71.48
Unclaimed dividend	20.93	25.07
Unclaimed matured deposits	3.63	8.00
Other payables	28.55	22.57
	799.27	864.38
	As at March 31, 2025	As at March 31, 2024
NOTE - 19		
A Provisions - non-current		
Employees' long-term benefits		
Compensated absences	266.98	211.87
	266.98	211.87
For movements in each class of provision during the financial year, refer note 41		
B Provisions - current		
Employees' long-term benefits		
Compensated absences	136.50	132.75
	136.50	132.75
For movements in each class of provision during the financial year, refer note 41		
NOTE - 20		
Deferred tax liabilities		
Deferred tax liabilities arising on account of :		
Depreciation	567.00	566.51
Equity instruments carried at FVOCI	3,234.34	3070.86
Others	-	2.62
Deferred tax asset arising on account of :		
Allowance for doubtful debts and advances	193.30	183.46
Disallowances u/s 43B	127.95	109.84
Others	13.94	-
	3,466.15	3346.69

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 20 (CONTD.)

Particulars	March 31, 2024	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2025
Deferred tax liability:					
Depreciation	566.51	-	0.49	-	567.00
Equity instruments carried at FVOCI	3,070.86	-	-	163.48	3,234.34
Others	2.62	-	(2.62)	-	
Deferred tax asset:					
Allowance for doubtful debts and advances	183.46	-	9.84	-	193.30
Disallowances u/s 43B	109.84	-	15.86	2.25	127.95
Others	-	-	13.94	-	13.94
	3,346.69	-	(41.77)	161.23	3,466.15

Note:

	March 31, 2025	March 31, 2024
(i) Breakup of amounts recognised in statement of profit and loss:		
Recognised as part of:		
- Deferred tax	(41.77)	(31.87)
	(41.77)	(31.87)

NOTE - 21

	As at March 31, 2025	As at March 31, 2024
A Other non-current liabilities		
Deferred income	16.44	3.39
Advance from customers	-	106.43
	16.44	109.82
B Other current liabilities		
Advance from customers [^]	587.07	440.69
Payable to statutory authorities	125.39	183.22
Deferred income	4.59	2.21
	717.05	626.12
[^] represents contract liabilities		
Reconciliation of contract liabilities:		
Contract liabilities at the beginning of the year	547.12	358.27
Less: performance obligations satisfied in current year	(90.93)	(96.16)
Add: advance received during the year	130.88	285.01
Contract liabilities at the end of the year	587.07	547.12

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 22

Trade payables*

Total outstanding dues of micro enterprises and small enterprises	888.37	847.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,069.46	15,920.15
	16,957.83	16,767.96

*Refer note 38 for related party transactions and note 43 for ageing details.

The Company has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2025 and March 31, 2024:

Particulars	March 31, 2025	March 31, 2024
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	888.37	847.81
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

NOTE - 23 REVENUE FROM OPERATIONS

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
Sale of products	77,413.61	72,927.59
Other operating income	5,291.61	4,899.09
	82,705.22	77,826.68
Disaggregation of revenue:		
Gaskets	50,726.32	47,034.26
Forgings	26,687.28	25,893.34
Others	5,291.62	4,899.08
	82,705.22	77,826.68

Refer material accounting policy for information about the Company's performance obligations

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 24 OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Other income		
Interest income on:		
- Inter corporate deposits	26.07	37.83
- Fixed deposits with banks	565.66	123.34
- Other financial assets at amortised cost	8.60	2.21
Dividend income from:		
- Related parties	473.28	467.63
Royalty	126.91	119.70
Lease rentals	296.16	245.31
Net gain on foreign currency transactions	199.55	212.42
Profit on sale of property, plant and equipment (net)	158.76	74.43
Other non-operating income	30.62	94.60
	1,885.61	1,377.47

NOTE - 25 COST OF MATERIALS CONSUMED

	Year ended March 31, 2025	Year ended March 31, 2024
Opening inventory	5,463.24	5,482.70
Add: Purchases	42,467.80	41,139.37
	47,931.04	46,622.07
Less: Closing inventory	4,873.34	5,463.24
	43,057.70	41,158.83
Cost of raw materials consumed include:		
Tinplate/P.C.R.C.A/steel/copper	9,554.55	9,665.50
Jointing	9,136.52	8,598.05
Forging steels	13,625.97	13,170.58
Bought out auto components and parts	6,924.11	6,456.06
Others	3,816.56	3,268.64
	43,057.70	41,158.83

NOTE - 26 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Purchase of stock-in-trade		
Dyna bond	405.92	495.76
	405.92	495.76

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 27 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the year:		
Finished goods (including stock in trade)	3,060.83	2,827.61
Work-in-progress	4,063.35	3,768.01
Inventories at the beginning of the year:		
Finished goods (including stock in trade)	2,827.61	2,265.94
Work-in-progress	3,768.01	4,923.52
Net decrease	(528.56)	593.84

NOTE - 28 EMPLOYEE BENEFITS

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	8,316.22	7,238.76
Contributions to provident and other fund	345.58	324.94
Staff welfare expenses	564.05	548.20
	9,225.85	8,111.90

NOTE - 29 FINANCE COSTS

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowings	1,151.45	1,192.29
Interest on lease liabilities	103.91	33.29
Interest on others	3.66	2.15
Other borrowing cost	110.63	98.81
	1,369.65	1,326.54

NOTE - 30 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on:		
- Property plant and equipment^	3,169.07	2,585.81
- Investment property	16.66	16.66
Amortisation of:		
- Intangible assets	56.63	32.31
	3,242.36	2,634.78
Less: depreciation capitalised	54.55	43.69
	3,187.81	2,591.09

[^]Includes depreciation on right of use assets ₹ 251.65 Lacs (previous year ₹ 77.66 Lacs)

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 31 OTHER EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
Consumption of stores and spares parts	6,348.77	5,834.15
Labour and processing charges	727.87	874.86
Royalty	47.63	37.67
Power and fuel	2,614.74	2,427.80
Rent	29.83	15.71
Repairs to buildings	72.90	114.93
Repairs to plant & machinery	672.38	671.58
Repairs to other assets	370.18	260.41
Insurance	200.71	190.39
Travelling, tour & conveyance	1,123.68	1,003.17
Sales promotion expenses	269.05	245.12
Packing, freight & forwarding	3,525.80	3,088.77
Rates and taxes	30.14	28.60
Corporate social responsibility expenditure	129.01	88.32
Allowance for doubtful trade receivables/advances	135.00	180.61
Advances written off	0.10	15.62
Legal and professional	289.93	249.41
Payment to auditors:		
-As Auditors:		
Audit fee	16.20	14.73
Tax audit fee	2.20	2.00
-In other capacity:		
Limited review	3.30	3.00
Other services	0.30	0.28
Out of pocket expenses	4.00	3.25
Donation	11.76	11.24
Miscellaneous expenses	959.71	639.56
	17,585.19	16,001.17

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- a) Gross amount required to be spent by the Company during the year is ₹ 129.01 Lacs (March 31, 2024: ₹ 88.32 Lacs).
- b) Amount spent during the financial year ended March 31, 2025 and March 31, 2024 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2025	2.10	-	2.10
	March 31, 2024	-	-	-
Donation paid to charitable trust	March 31, 2025	126.91	-	126.91
	March 31, 2024	88.32	-	88.32

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 32 EXCEPTIONAL ITEMS

	Year ended March 31, 2025	Year ended March 31, 2024
Profit on sale of investment in joint venture	-	7,700.00
Less: expenses incurred in relation to the sale of investment	-	(46.52)
	-	7,653.48

During the previous year, the Company divested and sold its entire 40% stake in its Joint Venture "Nippon Leakless Talbros Private Limited" Constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The Company disclosed net gain from the transaction as an exceptional item in the financial statements after considering carrying amount of investment and expenses in relation to the transaction. The capital gain tax on sale of investment was disclosed as part of the tax expense.

NOTE - 33 INCOME TAX

	Year ended March 31, 2025	Year ended March 31, 2024
Tax expense comprises of:		
Current tax	2,529.10	3,718.89
Deferred tax charge	(41.77)	(31.87)
Earlier years tax adjustments (net)	12.69	(14.74)
Income tax expense reported in the statement of profit and loss	2,500.02	3,672.28

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168 % and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	10,287.27	16,578.50
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	2,589.10	4,172.48
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of different rate of tax	(13.14)	(153.87)
Earlier years tax adjustments (net)	12.69	(14.74)
Others	(88.63)	(331.59)
Income tax expense	2,500.02	3,672.28

NOTE - 34

EARNINGS PER SHARE (EPS)		
Profit attributable to equity shareholders	7,787.25	12,906.22
Profit attributable to equity shareholders adjusted for the effect of dilution	7,787.25	12,906.22
Weighted average number of equity shares for Basic EPS	6,17,28,150	6,17,28,150
Weighted average number of equity shares for Diluted EPS	6,17,28,150	6,17,28,150
(1) Basic *	12.62	20.91
(2) Diluted *	12.62	20.91

* EPS for the previous year has been restated due to adjustment of share split

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 35**Fair value disclosures****(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL	-	-	1.00	1.00
Investments at FVOCI	-	-	14,539.73	14,539.73
Derivative assets on forward contracts	-	51.63	-	51.63
Total financial assets	-	51.63	14,540.73	14,592.36
March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI	-	-	13,838.00	13,838.00
Derivative assets on forward contracts	-	40.41	-	40.41
Total financial assets	-	40.41	13,838.00	13,878.41

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024	1% increase in inputs	1% decrease in inputs
Unquoted equity shares	14,539.73	13,838.00	Terminal growth rate	5%	5%	March 31, 2025: ₹ 15,050 Lacs March 31, 2024: - ₹ 14,201 Lacs Lacs	March 31, 2025: ₹ 14,121 Lacs March 31, 2024: - ₹ 13,529 Lacs Lacs

*Sensitivity has been considered for mentioned inputs, keeping the other variables constant

#excluding investment in equity shares measured at fair value through profit and loss, as the cost of investment is considered the fair value thereof.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 35 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2025 and March 31, 2024:

Particulars	Equity shares
As at March 31, 2023	5,527.32
Disposal during the year	-
Gain recognised in other comprehensive income	8,310.68
As at March 31, 2024	13,838.00
Disposal during the year	-
Gain recognised in other comprehensive income	701.73
As at March 31, 2025	14,539.73

(vi) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2025		March 31, 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	264.40	264.40	244.60	244.60
Other financial assets	Level 3	2,854.08	2,854.08	6,821.55	6,821.55
Total financial assets		3,118.48	3,118.48	7,066.15	7,066.15
Financial liabilities					
Borrowings	Level 3	596.99	596.99	761.80	761.80
Other financial liabilities	Level 3	48.20	48.06	25.13	24.53
Total financial liabilities		645.19	645.05	786.93	786.33

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2025 was assessed to be insignificant.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT**(i) Financial instruments by category**

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	1.00	14,539.73	-	-	13,838.00	-
Trade receivables	-	-	24,569.56	-	-	21,032.75
Loans	-	-	158.46	-	-	270.43
Cash and cash equivalents	-	-	1,484.29	-	-	236.05
Other bank balances	-	-	4,820.08	-	-	283.48
Other financial assets	51.63	-	2,967.94	40.41	-	6,909.68
Security deposits	-	-	289.67	-	-	272.47
Total financial assets	52.63	14,539.73	34,290.00	40.41	13,838.00	29,004.86
Financial liabilities						
Borrowings	-	-	8,381.51	-	-	8,686.52
Lease liabilities	-	-	1,073.57	-	-	1,250.28
Trade payables	-	-	16,957.83	-	-	16,767.96
Other financial liabilities	-	-	774.22	-	-	822.96
Total financial liabilities	-	-	27,187.13	-	-	27,527.72

*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

(ii) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions.

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2025	March 31, 2024
A: Low	Loans	158.46	270.43
	Other financial assets	3,257.61	7,182.15
	Cash and cash equivalents	1,484.29	236.05
	Other bank balances	4,820.08	283.48
B: Medium	Trade receivables	25,113.30	21,601.74

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

b) Expected credit losses

Trade receivables

- (i) The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2025		March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	24,745.90	367.40	20,827.31	774.43
Expected loss rate	2.12%	5.34%	2.60%	3.50%
Expected credit loss (loss allowance provision)	524.11	19.63	541.87	27.12

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2023	388.39
Less: Changes in loss allowances	180.60
Loss allowance on March 31, 2024	568.99
Less: Changes in loss allowances	(25.25)
Loss allowance on March 31, 2025	543.74

Other financial assets measured at amortised cost

Company provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year (cash credit and other facilities)	4,146.67	2,223.88
Expiring beyond one year (bank loans - floating rate)	492.91	664.00

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2025	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,989.80	380.13	16.00	8,385.93
Security deposit received	63.10	31.26	16.94	111.30
Trade payable	16,957.83	-	-	16,957.83
Other financial liabilities*	736.17	-	-	736.17
Total	25,746.90	411.39	32.94	26,191.23

March 31, 2024	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,323.99	381.30	9.00	8,714.29
Security deposit received	71.48	7.99	17.14	96.61
Trade payable	16,767.96	-	-	16,767.96
Other financial liabilities*	792.90	-	-	792.90
Total	25,956.33	389.29	26.14	26,371.76

*excludes lease liabilities, for maturities of lease liabilities refer note 40 (i) D.

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited.

Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2025	March 31, 2024
Import trade payables:		
CNY (in Lacs)	-	2.71
₹ (₹ in Lacs)	-	31.47
EURO (in Lacs)	3.45	3.73
₹ (₹ in Lacs)	317.66	336.40
US\$ (in Lacs)	36.04	40.18
₹ (₹ in Lacs)	3,081.48	3,351.23
GBP (in Lacs)	-	0.28
₹ (₹ in Lacs)	-	29.11
JPY (in Lacs)	590.20	481.84
₹ (₹ in Lacs)	335.53	265.45

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	March 31, 2025	March 31, 2024
Export trade receivables:		
EURO (in Lacs)	34.46	25.75
₹ (₹ in Lacs)	3,177.06	2,317.98
US\$ (in Lacs)	30.04	20.62
₹ (₹ in Lacs)	2,567.92	1,719.12
GBP (in Lacs)	0.16	0.26
₹ (₹ in Lacs)	17.50	27.08

The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2025	March 31, 2024
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	24.00	21.00
₹ (₹)	2,262.51	1,890.00
US\$ (in Lacs)	-	4.50
₹ (₹)	-	375.98

All the above contracts are maturing within one year.

Sensitivity

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Financial assets					
5% movement (previous year 5%)	EURO	(106.99)	(74.14)	106.99	74.14
4% movement (previous year 4%)	US\$	15.37	48.85	(15.37)	(48.85)
5% movement (previous year 5%)	YEN	12.55	9.93	(12.55)	(9.93)

(ii) Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowing	8,220.56	8,608.17
Fixed rate borrowing	87.70	11.80
Total borrowings	8,308.26	8,619.97

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2025	March 31, 2024
Interest rates – increase by 50 basis points	(30.76)	(32.21)
Interest rates – decrease by 50 basis points	30.76	32.21

iii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

iv) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Particulars	March 31, 2025	March 31, 2024
Investments carried at fair value through other comprehensive income	14,539.73	13,838.00
Investments carried at fair value through statement of profit and loss	1.00	-
Total investments	14,540.73	13,838.00

Sensitivity

Refer note 35(iv) for sensitivity analysis.

NOTE - 37

A Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at March 31, 2025 was as follows:

Particulars	March 31, 2025	March 31, 2024
Total borrowings	8,381.51	8,686.52
Less : cash and cash equivalents	1,484.29	236.05
Net debt	6,897.22	8,450.47
Total equity	58,988.84	51,102.10
Adjusted net debt to adjusted equity ratio	0.12	0.17

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 (CONTD.)**B Dividend**

Particulars	March 31, 2025	March 31, 2024
Proposed dividend		
Proposed dividend for the year ended March 31, 2025 - ₹ 0.50 per share (March 31, 2024 - ₹ 0.50 per share)	308.64	308.64
Final dividend paid		
Final and interim dividend paid during the year ended March 31, 2025 - ₹ 0.70 per share (March 31, 2024 - ₹ 0.60 per share)	432.09	370.36

NOTE - 38**Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:**Jointly controlled entities**

- (i) Nippon Leakless Talbros Private Limited (Ceased to be related party wef January 25, 2024)
- (ii) Marelli Talbros Chassis Systems Private Limited
- (iii) Talbros Marugo Rubber Private Limited

Investing party in respect of which the Company is a subsidiary

- (i) Talbros International Private Limited

Key management personnel and their relatives

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Rakesh Vohra
- (ix) Mr. Tarun Singhal
- (x) Mr. Rajat Verma
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 38 (CONTD.)

Fellow Subsidiaries

- (i) QH Talbro's Private Limited
- (ii) Talbro's Indiparts Private Limited

(ii) Transactions with related parties carried out in the ordinary course of business:

(a) Transactions with joint ventures and fellow subsidiaries :

S. No.	Particulars	2024-25	2023-24
1	Sale of goods		
	QH Talbro's Private Limited	7,324.66	8,847.04
	Talbro's Indiparts Private Limited	3,735.42	4,118.00
	Nippon Leakless Talbro's Private Limited	-	43.90
	Talbro's Marugo Rubber Private Limited	63.89	211.23
2	Sale of services		
	Talbro's Marugo Rubber Private Limited	35.40	35.40
3	Royalty income		
	QH Talbro's Private Limited	122.39	124.09
	Talbro's Indiparts Private Limited	27.36	17.15
4	Purchase of goods		
	Nippon Leakless Talbro's Private Limited	-	3.21
5	Lease rental income		
	Marelli Talbro's Chassis Systems Private Limited	229.73	218.79
	Talbro's Indiparts Private Limited	18.03	17.17
6	Reimbursement of expenses/payments		
	Marelli Talbro's Chassis Systems Private Limited	142.88	114.72
	Talbro's Marugo Rubber Private Limited	5.09	0.20
	Talbro's International Private Limited	11.52	6.64
	QH Talbro's Private Limited	1.85	4.54
	Talbro's Indiparts Private Limited	23.60	10.42
7	Dividend paid		
	Talbro's International Private Limited	185.35	158.81
9	Dividend received		
	Talbro's International Private Limited	265.39	261.41
	QH Talbro's Private Limited	80.08	80.08
	Marelli Talbro's Chassis Systems Private Limited	117.80	117.80

Note: All transactions are inclusive of taxes, wherever applicable

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 38 (CONTD.)

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

S. No.	Balance Outstanding at the end of the year	March 31, 2025	March 31, 2024
1	Outstanding balance included in financial assets (Trade receivable and other recoverable)		
	Talbro's Marugo Rubber Private Limited	8.19	33.05
	Nippon Leakless Talbro's Private Limited*	-	26.76
	QH Talbro's Private Limited	1,069.58	1,760.80
	Marelli Talbro's Chassis Systems Private Limited	11.24	-
	Talbro's Indiparts Private Limited	665.06	918.68
2	Outstanding balance included in financial liabilities		
	Marelli Talbro's Chassis Systems Private Limited	22.26	22.26

* Represents balance as on January 25, 2024

(b) Transactions with key management personnel and their relatives :

S. No.	Particulars	2024-25	2023-24
1	Remuneration		
	Short-term employee benefits		
	Mr. Umesh Talwar	181.80	181.80
	Mr. Anuj Talwar	181.80	181.80
	Mr. Manish Khanna	58.71	55.46
	Ms. Seema Narang	39.99	37.24
	Other long-term benefits		
	Mr. Umesh Talwar	(0.02)	2.81
	Mr. Anuj Talwar	1.15	0.75
	Mr. Manish Khanna	5.51	0.91
	Ms. Seema Narang	0.68	2.45
	Post-employment benefits		
	Mr. Umesh Talwar	18.08	30.18
	Mr. Anuj Talwar	21.28	17.88
	Mr. Manish Khanna	3.77	3.38
	Ms. Seema Narang	4.37	4.12
	Fee for attending board & committee meetings to all the KMP's	21.45	10.65
2	Rent paid		
	Mrs. Kum Kum Talwar	7.20	7.20

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 39

Contingent liabilities and commitments (to the extent not provided for)

A Contingent liabilities

(1) Claims against the Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2025	March 31, 2024
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	5.34	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	37.74	40.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
Total		416.53	452.86

*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 140.21 Lacs (March 31, 2024: ₹ 251.25 Lacs).

B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 529.53 Lacs (March 31, 2024: ₹ 1446.79 Lacs).

NOTE - 40

(i) Leases disclosure as lessee

Operating leases

A The Company has taken residential/commercial premises on lease. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The Company is prohibited from selling or pledging the underlying leased assets as security.

B Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2025	March 31, 2024
Non-current	804.00	987.13
Current	269.57	263.15
Total	1,073.57	1,250.28

C The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	3-8	5.63
Land	2	67-73	70.20

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 40 (CONTD.)**D Future minimum lease payments as on March 31, 2025 are as follows:**

Particulars	As at March 31, 2025			As at March 31, 2024		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Minimum lease payments due						
Within 1 year	281.46	87.31	194.15	280.62	103.91	176.71
1-5 years	923.49	145.86	777.63	1,163.09	222.65	940.44
5 years or more	113.75	11.96	101.79	155.61	22.48	133.13
	1,318.70	245.13	1,073.57	1,599.32	349.04	1,250.28

E Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2025	March 31, 2024
Short term leases	29.83	15.71
Leases of low value assets	-	-
Variable lease payments	-	-
Total	29.83	15.71

F Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Carrying amount	Depreciation expense
As on March 31, 2024		
Building	1,276.52	73.06
Land	342.17	4.60
	1,618.69	77.66
As on March 31, 2025		
Building	1,029.47	247.05
Land	337.57	4.60
	1,367.04	251.65

(ii) Leases disclosure as lessor**Operating leases**

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 296.16 Lacs (March 31, 2024: ₹ 245.31 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 24). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2025	March 31, 2024
Within one year	316.46	233.51
Later than one year but not later than five years	740.72	453.88
Later than five years	37.04	-

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41

Employee benefits

1 Defined contribution plans:

- A** The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

Provident Fund Plan & Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

Superannuation Scheme: The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

- B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2025	March 31, 2024
(a) Employer's contribution to Provident fund & other funds	268.28	251.01
(b) Employer's contribution to superannuation fund	7.00	7.33

2 Other Long Term Employee Benefits

A Compensated absences- Earned leave

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet

Particulars	March 31, 2025	March 31, 2024
Present value of obligation at the end of the year	403.48	344.62
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(403.48)	(344.62)

ii) Expenses recognised in statement of profit and loss

Particulars	March 31, 2025	March 31, 2024
Current service cost	130.07	106.82
Interest cost	22.55	20.84
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions		-
-Changes in financial assumptions	2.45	(15.07)
-Changes in experience adjustment	(30.85)	(15.18)
Cost recognised during the year	124.22	97.41

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 (CONTD.)**iii) Movement in the liability recognised in the balance sheet is as under:**

Particulars	March 31, 2025	March 31, 2024
Present value of defined benefit obligation at the beginning of the year	344.62	319.11
Current service cost	130.07	106.82
Interest cost	22.55	20.84
Actuarial (gain)/loss net	(28.40)	(30.25)
Benefits paid	(65.36)	(71.90)
Present value of defined benefit obligation at the end of the year	403.48	344.62

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.93%	7.23%
Salary escalation rate	5.5/20%	5.5/20%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

3 Defined benefit plans:**A Gratuity****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet

Particulars	March 31, 2025	March 31, 2024
Present value of obligation at the end of the year	942.82	854.81
Fair value of plan assets	1,209.38	1,072.18
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	266.56	217.37

ii) Expenses recognised in other comprehensive income

Particulars	March 31, 2025	March 31, 2024
Return on plan assets	(4.61)	(2.79)
Actuarial (gain)/loss on PBO	13.52	45.31
(Gain)/expenses recognised in other comprehensive income	8.91	42.52

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 (CONTD.)

iii) Actuarial (gain)/loss on obligation

Particulars	March 31, 2025	March 31, 2024
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	20.40	(35.06)
- Changes in experience adjustment	(6.88)	80.37

iv) Expenses recognised in statement of profit and loss

Particulars	March 31, 2025	March 31, 2024
Current service cost	76.68	73.01
Interest cost (net)	(19.17)	(22.82)
Cost recognised during the year	57.51	50.19

v) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2025	March 31, 2024
Present value of defined benefit obligation at the beginning of the year	854.81	810.56
Current service cost	76.68	73.01
Interest cost	59.57	54.91
Actuarial (gain)/loss net	13.52	45.32
Benefits paid	(61.76)	(128.99)
Present value of defined benefit obligation at the end of the year	942.82	854.81

vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:

Particulars	March 31, 2025	March 31, 2024
Present value of plan assets at the beginning of the year	1,072.18	1,120.64
Return on plan assets	83.35	80.53
Contributions by employer	115.61	-
Benefits paid during the year	(61.76)	(128.99)
Present value of plan assets at the end of the year	1,209.38	1,072.18

vii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.92%	7.23%
Salary escalation rate	5.50%	5.50%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2025	For the year ended March 31, 2024	March 31, 2025	March 31, 2024
April 2025- March 2026	April 2024- March 2025	237.52	263.35
April 2026- March 2030	April 2025- March 2029	217.40	182.23
April 2030- March 2035	April 2029- March 2034	301.40	271.72
April 2035 onwards	April 2034 onwards	996.13	899.72

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 (CONTD.)**vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)**

For the year ended March 31, 2025	For the year ended March 31, 2024	March 31, 2025	March 31, 2024
April 2025- March 2026	April 2024- March 2025	239.14	265.97
April 2026- March 2030	April 2025- March 2029	272.66	229.00
April 2030- March 2035	April 2029- March 2034	546.29	510.96
April 2035 onwards	April 2034 onwards	3,296.88	3,094.03

viii) Sensitivity analysis for defined benefit obligation

Particulars	March 31, 2025	March 31, 2024
a) Impact of the change in discount rate		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	879.96	800.65
Impact due to decrease of 1.00 %	1,014.88	917.08
b) Impact of the change in salary increase		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	1,034.59	932.75
Impact due to decrease of 1.00 %	864.05	788.10

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2025 is 16.52 years (March 31, 2024: 16.55 years).

NOTE - 42

Research and development costs on inhouse Research and Development centres charged to the statement of profit and loss for the year ended March 31, 2025 is ₹ 322.41 Lacs.(Revenue of ₹ 306.91 Lacs, Capital ₹ 15.50 Lacs),March 31, 2024: ₹ 304.10 Lacs,Capital-Nil).

NOTE - 43**Disclosures as per the requirements of Division II of Schedule III to the Act****A Ageing schedule of capital work-in-progress**

March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,175.73	93.15	3.01	1.80	2,273.69
March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.81	32.16	1.80	-	734.77

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43 (CONTD.)

B Ageing schedule of trade receivables

March 31, 2025	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	18,964.28	5,242.54	451.21	-	-	-	24,658.03
Undisputed trade receivables - credit impaired	-	-	87.87	34.17	99.51	233.72	455.27
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	18,964.28	5,242.54	539.08	34.17	99.51	233.72	25,113.30
Less: Allowance for expected credit loss							543.74
Total							24,569.56

March 31, 2024	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	16,402.24	4,170.00	255.07	262.58	-	-	21,089.89
Undisputed trade receivables - credit impaired	-	-	-	41.97	270.63	199.25	511.85
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	16,402.24	4,170.00	255.07	304.55	270.63	199.25	21,601.74
Less: Allowance for expected credit loss							568.99
Total							21,032.75

C Ageing schedule of trade payables

March 31, 2025	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	888.37	-	-	-	-	888.37
Others	13,142.10	2,901.40	21.44	1.92	2.60	16,069.46
Total	14,030.47	2,901.40	21.44	1.92	2.60	16,957.83

March 31, 2024	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	847.81	-	-	-	-	847.81
Others	13,033.66	2,853.20	11.71	18.25	3.33	15,920.15
Total	13,881.47	2,853.20	11.71	18.25	3.33	16,767.96

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43 (CONTD.)**D Details of promoter shareholding**

Name of promoter	March 31, 2025			March 31, 2024		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbros International Private Limited	2,64,77,983	42.89%	0.00%	2,64,77,983	42.89%	0.00%

E Details related to borrowings secured against current assets

The Company had given current assets (trade receivables and inventories) as security for working capital limits obtained from multiple banks. The Company submitted the required information with the bank and the required reconciliation is presented below:

Particulars	Quarter	Amount as per books	Amount reported to the bank	Difference	Remarks
Trade receivable (gross balance)	June-2024	22,922.40	22,303.87	618.53	Variance is not material.
Inventories	June-2024	12,610.91	12,263.74	347.17	Variance is not material.
Trade receivable (gross balance)	September-2024	24,022.19	23,739.48	282.71	Variance is not material.
Inventories	September-2024	12,759.98	12,927.29	(167.31)	Variance is not material.
Trade receivable (gross balance)	December-2024	24,118.84	23,939.45	179.39	Variance is not material.
Inventories	December-2024	12,242.95	12,163.40	79.55	Variance is not material.
Trade receivable (gross balance)	March - 2025	24,569.56	24,658.70	(89.14)	Variance is not material.
Inventories	March - 2025	12,585.38	12,584.30	1.08	Variance is not material.

F Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	1.72	1.38	24.95%	Note 'A' below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.14	0.17	(16.50%)	Note 'A' below

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43 (CONTD.)

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Change	Remarks
				Ratio	Ratio		
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	7.26	8.83	(17.78%)	Note 'A' below
Return on equity ratio	Percentage	Profit after tax	Average of total equity	14.15%	30.98%	(54.33%)	Note 'B' below
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	3.41	3.17	7.38%	Note 'A' below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	3.63	4.11	(11.71%)	Note 'A' below
Trade payables turnover ratio	Times	Purchases + other expenses	Average trade payables	3.59	3.42	4.69%	Note 'A' below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	4.28	7.67	(44.21%)	Note 'C' below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	9.42%	16.58%	(43.22%)	Note 'B' below
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = Profit/loss before tax + Depreciation and amortisation expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	20.65%	31.82%	(35.12%)	Note 'B' below

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43 (CONTD.)

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	Change	Remarks
				Ratio	Ratio		
Return on fixed deposit	Percentage	Interest Income on deposits with Banks and NBFC	Average investment (Fixed Deposit)	7.79%	7.08%	10.00%	Note 'A' below
Return on investment in equity shares (other than carried at cost)	Percentage	Change in fair value of investments during the year	Opening market value of the investments	5.07%	150.36%	(96.63%)	Note 'D' below

Notes:

- A Since the change in ratio is less than 25%, no explanation is required to be furnished.
- B On account of decrease in profit of the Company as compared to previous year. In previous year, there was an exceptional gain on sale of investment in one of the joint venture entity.
- C On account of increase in current assets due to significant increase in current portion of investment in fixed deposit made by the Company.
- D On account of decrease in the fair value of investments (other than those carried at cost) made by company.

NOTE - 44**Segment information**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

i Information about major customers

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

ii Information about geographical areas

Particulars	March 31, 2025	March 31, 2024
Revenue from operations attributed to:		
Country of domicile (India)	57,682.43	55,176.61
Foreign countries	25,022.79	22,650.07
Total	82,705.22	77,826.68

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 45

Disclosure required under Section 186 (4) of The Companies Act, 2013:

(a) Investments made:

Name of the investee	Amount invested during the year 2024-25	Amount as on March 31, 2025	Amount invested during the year 2023-24	Amount as on March 31, 2024
Investment in equity instruments				
Investment in Joint ventures				
(i) Nippon Leakless Talbros Private Limited	-	-	-	-
(ii) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
Investment in others				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
(iv) Caparo Power Limited	1.00	1.00	-	-
Total	1.00	2,785.07	-	2,784.07

(b) Inter corporate deposits given (proposed to be utilised for business purposes):

Name of the payee	Paid/ (recovered) during the year 2024-25	Outstanding amount as on March 31, 2025*	Paid/ (recovered) during the year 2023-24	Outstanding amount as on March 31, 2024*
(i) Fastech Builders Private Limited	-	-	(45.00)	-
(ii) Fastech Projects Private Limited	-	-	(15.00)	-
(iii) Bankey Bihari Engineers LLP	(25.00)	50.00	(10.00)	75.00
(iv) Express Engineers & Spares Private Limited	(80.00)	85.00	(35.00)	165.00
Total	(105.00)	135.00	(105.00)	240.00

* Outstanding amount excludes interest accrued on deposits.

(c) Guarantee given (proposed to be utilised for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2025	Outstanding amount as on March 31, 2024
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

NOTE - 46

Disclosure on audit trail

The Company has used three accounting software namely Oracle Platform-based ERP Software, Integral Infogen Technology Private Limited (ERP 10 G) and SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2025.

- A) Oracle Platform-based ERP software has a feature of recording audit trail (edit log) facility and the same has operated from April 01, 2024 till August 31, 2024 for all relevant transactions recorded in the software.

Notes to the Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 46 (CONTD.)

- B) SAP Business One software has a feature of recording an audit trail (edit log) facility, and the same has operated from September 01, 2024 the same has subsequently operated throughout the year for all relevant transactions recorded in the software.
- C) Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.

The audit trail feature was enabled in all the softwares during the year. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

NOTE - 47

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Company has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") 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 by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Company does not have any transactions with companies struck off.
- (ix) The Company has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per **Piyush Tripathi**
Partner
Membership No. 524288

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Place: Gurugram
Date: May 26, 2025

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Seema Narang
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Talbros Automotive Components Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated financial statements of **Talbros Automotive Components Limited** ("the Company") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement for Cash Flow for the year ended on that date, and notes to the financial statement including summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the company and its jointly controlled entities as at March 31, 2025, its consolidated profit and total comprehensive income, its consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<i>Valuation Of complex instruments involving high estimation uncertainty</i> The Company has material long-term investments in group companies which are un-quoted.	<i>Principal Audit Procedures</i> We have verified the company's shareholding in the investment in equity instruments which are fair valued by the company. We have verified the reasonableness of the assumptions used and the valuation technique used to determine the fair value.

Information other than the Consolidated 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 Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Independent Auditors' Report (Contd.)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the company and its jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and its jointly controlled entities and for preventing and detecting 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and management of the Company and its jointly controlled entities are responsible for assessing the company and its jointly controlled entities' 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 and its jointly controlled entities or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the company and its jointly controlled entities are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our Objectives are to obtain reasonable assurance about whether the consolidated 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 decision of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to 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 and its jointly controlled entities which is a company incorporated in India have 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 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 ability of the company and its jointly controlled entities to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its jointly controlled entities to cease to continue as a going concern.

Independent Auditors' Report (Contd.)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the company of which we are the independent auditor and such other entities included in the statement 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 consolidated 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.

Other Matter

The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of Rs. 1,776.72 lakhs for the year ended March 31, 2025, in respect

of jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by the law relating to the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
 - (e) On the basis of written representations received as on March 31, 2025, taken on record by the Board of Directors of the company and its jointly controlled entities incorporated in India, none of the directors is disqualified as on March 31, 2025, 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 with reference to consolidated financial

Independent Auditors' Report (Contd.)

statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its Jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements of those companies.

- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. However, the provisions of section 197 of the Act are not applicable to jointly controlled entities.

- (h) 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) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities. (Refer Note 41(i) and 42 to the consolidated financial statements).
- (ii) The Company and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities during the year ended March 31, 2025.
- (iv) (a) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements

have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or any of such jointly controlled entities to or in any other person or entity, including foreign entity ("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 by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its jointly controlled entities which are

Independent Auditors' Report (Contd.)

companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note 38(B) to the consolidated financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year complies with Section 123.

(c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(d) The Company has used three accounting software namely Oracle Platform-based ERP Software, Integral Infogen Technology Private Limited (ERP 10 G) and SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2025.

(a) Oracle Platform-based ERP software has a feature of recording audit trail (edit log) facility and the same has operated from 1st April 2024 till 31st August 2024 for all relevant transactions recorded in the software.

(b) SAP Business One software has a feature of recording an audit trail (edit log) facility, and the same has operated from 1st September 2024 the same has subsequently

operated throughout the year for all relevant transactions recorded in the software.

(c) Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.

Further, its joint ventures incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and has operated throughout the year for all relevant transactions recorded in the software.

Further, during our audit, we did not come across any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

2) With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For J. C. Bhalla & Co.

Chartered Accountants
Firm's Registration No. 001111N

(Piyush Tripathi)

Partner

Place : Gurugram
Dated: May 26, 2025

Membership No. 524288
UDIN: 25524288BMHXQI7394

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirement’s section of our report to the Members of Talbros Automotive Components Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of Talbros Automotive Components Limited (hereinafter referred to as “the Company”) and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective board of Directors of the Company and its jointly controlled entities which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“The 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 the 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the company and its jointly controlled entities, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the

extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements were 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the company and its jointly controlled entities, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles and that receipts and

Annexure “A” to The Independent Auditor’s Report (Contd.)

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 the prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements in future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements 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 and to the best of our information and according to the explanations given to us, the Company and its jointly controlled entities, which are companies incorporated in

India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies 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.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited financial statements of jointly controlled entities, incorporated in India, is based on the corresponding reports of the auditor of such jointly controlled entities incorporated in India.

For J. C. Bhalla & Co.

Chartered Accountants

Firm’s Registration No. 001111N

(Piyush Tripathi)

Partner

Place : Gurugram

Dated: May 26, 2025

Membership No. 524288

UDIN: 25524288BMHXQI7394

CONSOLIDATED BALANCE SHEET

as at March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	March 31, 2025	March 31, 2024
Assets			
Non-current assets			
Property, plant and equipment	2	21,768.57	20,895.59
Capital work in progress	2	2,273.69	734.77
Investment property	3	248.82	265.48
Intangible assets	4	33.91	56.37
Investments accounted for using the equity method	5	6,402.93	4,744.01
Financial assets			
Investments	6	14,540.73	13,838.00
Other financial assets	8A	3,118.48	7,066.15
Non-current tax assets	9	165.19	325.30
Other non-current assets	10A	347.36	670.30
Total non-current assets		48,899.68	48,595.97
Current assets			
Inventories	11	12,585.38	12,677.19
Financial assets			
Trade receivables	12	24,569.56	21,032.75
Cash and cash equivalents	13	1,484.29	236.05
Other bank balances	14	4,820.08	283.48
Loans	7A	158.46	270.43
Other financial assets	8B	190.76	156.41
Other current assets	10B	2,345.81	2,420.80
Total current assets		46,154.34	37,077.11
Total assets		95,054.02	85,673.08
Equity and liabilities			
Equity			
Equity share capital	15	1,234.56	1,234.56
Other equity	16	62,029.21	52,483.55
Total equity		63,263.77	53,718.11
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17A	357.26	342.48
Lease liabilities	18A	804.00	987.13
Other financial liabilities	19A	48.20	25.13
Provisions	20A	266.98	211.87
Deferred tax liabilities	21	3,466.15	3,346.69
Other non-current liabilities	22A	16.44	109.82
Total non-current liabilities		4,959.03	5,023.12
Current liabilities			
Financial liabilities			
Borrowings	17B	7,951.00	8,277.49
Lease liabilities	18B	269.57	263.15
Trade payables	23		
(i) total outstanding dues of micro enterprises and small enterprises		888.37	847.81
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16,069.46	15,920.15
Other financial liabilities	19B	799.27	864.38
Other current liabilities	22B	717.05	626.12
Provisions	20B	136.50	132.75
Total current liabilities		26,831.22	26,931.85
Total equity and liabilities		95,054.02	85,673.08
The accompanying notes form an integral part of these financial statements	1-50		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 26, 2025

For and on behalf of Talbro's Automotive Components Limited

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue			
Revenue from operations	24	82,705.22	77,826.68
Other income	25	1,767.81	1,259.67
Total income		84,473.03	79,086.35
Expenses			
Cost of materials consumed	26	43,057.70	41,158.83
Purchase of stock-in-trade	27	405.92	495.76
Changes in inventories of finished goods, stock in trade and work in progress	28	(528.56)	593.84
Employee benefits expenses	29	9,225.85	8,111.90
Finance costs	30	1,369.65	1,326.54
Depreciation and amortisation expense	31	3,187.81	2,591.09
Other expenses	32	17,585.19	16,001.17
Total expenses		74,303.56	70,279.13
Profit before exceptional items and tax		10,169.47	8,807.22
Exceptional items	33	-	4,245.54
Profit before share of profit in joint ventures and tax		10,169.47	13,052.76
Share of profit of joint ventures accounted for using the equity method		1,773.82	1,617.15
Profit before tax		11,943.29	14,669.91
Tax expense	34		
Current tax		2,529.10	3,718.89
Deferred tax		(41.77)	(31.87)
Earlier years tax adjustments (net)		12.69	(14.74)
Total tax expense		2,500.02	3,672.28
Profit for the year		9,443.27	10,997.63
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(8.92)	(42.52)
Changes in fair value of FVOCI equity instruments		701.73	8,310.68
Share of other comprehensive income of joint ventures accounted for using the equity method		2.90	(3.87)
Income tax relating to items that will not be reclassified to profit or loss		(161.23)	(1,925.36)
Total other comprehensive income for the year		534.48	6,338.93
Total comprehensive income for the year		9,977.75	17,336.56
Earnings per equity share (Face value ₹ 2 per share)	35		
Basic (₹)		15.30	17.82
Diluted (₹)		15.30	17.82

The accompanying notes form an integral part of these financial statements

This is the statement of profit or loss referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 26, 2025

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
Balance as at March 31, 2023	848.23	15.21	4,678.30	26,239.17	3,736.44	35,517.35
Profit for the year	-	-	-	10,997.63	-	10,997.63
Other comprehensive income for the year (net of tax impact)	-	-	-	(31.82)	6,374.62	6,342.80
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	(3.87)	-	(3.87)
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						-
- Dividend paid during the year	-	-	-	(370.36)	-	(370.36)
Balance as at March 31, 2024	898.23	15.21	4,678.30	36,780.75	10,111.06	52,483.55
Profit for the year	-	-	-	9,443.27	-	9,443.27
Other comprehensive income for the year (net of tax impact)	-	-	-	(6.67)	538.25	531.58
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	2.90	-	2.90
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(432.09)	-	(432.09)
Balance as at March 31, 2025	948.23	15.21	4,678.30	45,738.15	10,649.31	62,029.21

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 26, 2025

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2025

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,943.29	14,669.91
Adjustments for:		
Depreciation on property, plant and equipment, investment property and intangible assets	3,187.81	2,591.09
Profit on sale of property, plant and equipment (net)	(158.76)	(74.43)
Interest income	(600.33)	(163.38)
Dividend income	(355.48)	(349.83)
Share of profit of joint ventures	(1,773.82)	(1,617.15)
Allowance for doubtful debts (net)	135.00	180.61
Unrealised foreign exchange gain	(130.30)	(18.41)
Exceptional items		
Advances written off	96.01	15.62
Profit on sale of investment in joint venture	-	(4,245.54)
Provisions no longer required written back	(95.90)	-
Finance costs	1,369.65	1,326.54
Operating profit before working capital changes	13,617.17	12,315.03
Movement in working capital		
Change in inventories	91.82	576.02
Change in Trade receivables, other financial and non-financial assets	(3,511.16)	(3,895.04)
Change in Trade payable, other financial and non-financial liabilities	185.78	(54.44)
Cash generated from operating activities post working capital changes	10,383.61	8,941.57
Income tax paid (net)	(2,381.68)	(2,266.66)
Net cash generated from operating activities (A)	8,001.93	6,674.91
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(5,378.42)	(6,009.98)
Proceeds from sale of property, plant and equipment	313.18	200.65
Sale of investment in joint venture (Net of tax ₹ 1,538.75 Lacs and related expenses of ₹ 46.52 Lacs)		6,594.73
Purchase of non-current investments	(1.00)	-
Movement in other bank balances	(209.06)	(6,617.99)
Proceeds from intercorporate deposits	105.00	105.00
Dividend received	473.28	467.63
Interest received	231.65	84.24
Net cash used in investing activities (B)	(4,465.37)	(5,175.72)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) borrowings (Net)	108.66	540.84
Repayment of term borrowings	(424.74)	(611.41)
Payment towards lease liabilities	(280.62)	(53.07)
Dividend paid	(436.24)	(379.56)
Interest paid	(1,255.38)	(1,288.35)
Net cash used in financing activities (C)	(2,288.32)	(1,791.55)
Increase/ (decrease) in cash and cash equivalents (A+B+C)	1,248.24	(292.36)
Cash and cash equivalents at the beginning of the year	236.05	528.41
Cash and cash equivalents at the end of the year (Refer note 13)	1,484.29	236.05

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 26, 2025

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Joint Managing Director
[DIN: 00628063]

Umesh Talwar
Vice Chairman and Managing Director
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

1. CORPORATE INFORMATION

Talbro's Automotive Components Limited (the 'Holding Company') is a public limited company with its joint ventures (collectively referred to as the 'Group'). The Holding Company is incorporated and domiciled in India. The Holding Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Group is in the business of manufacturing gaskets, forging, suspension systems, anti-vibration components and hoses. The Holding Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

The consolidated financial statements for the year ended March 31, 2025 were authorised and approved by the Board of Directors on May 26, 2025.

1.1 Material Accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

b) Basis of consolidation

Joint ventures

Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment

is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

c) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Significant management judgements

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Provisions, contingent liabilities and contingent assets – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets

– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Leases – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease

term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

*Significant estimates***Useful lives of depreciable/amortisable assets** –

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

e) Inventory

Inventories are valued as follows:

Raw material, stores and spares

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage

of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

Particulars	Useful life
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

g) Intangible assets**Recognition and initial measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Computer Software	3-5 years
Technical know how	10 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

h) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognised.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

i) Leases **Group as a lessee**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease

arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Group does not have any finance lease as a lessor.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)**j) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

k) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

Sale of goods and services

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue from services is recognised when Group satisfies the performance obligations by transferring the promised services to its customers.

I) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

- i. **Financial assets carried at amortised cost –**
A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets at fair value**

- **Investments in equity instruments other than above –** Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Group has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

n) Retirement and other employee benefits**Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absence

Compensated absence, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

The Group treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. 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).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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 assets and liabilities are measured at the tax rates that are expected to apply in the year

when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

p) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

1.2 Other accounting policy information

a) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

b) 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 calculated

using the effective interest rate and other costs like finance charges in respect of the leases recognised in accordance with Ind AS 116, 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.

c) Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

d) Foreign currency transactions*Functional and presentation currency*

The financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional and presentation currency.

*Foreign currencies**Initial recognition*

Transactions in foreign currencies are initially recorded by the Group at exchange rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

e) Other income
Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Export incentives

Export incentives are accounted on accrual basis.

f) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.3 Recent accounting pronouncements which are not yet effective

As on date of these consolidated financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards, which are effective from April 01, 2025.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lacs, unless otherwise stated)														
Particulars	Freehold land	Right of use - Land	Right of use -Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
Gross block														
As at April 01, 2023	693.56	413.99	34.23	3,493.39	26,999.11	443.04	27.80	664.52	347.44	960.01	105.72	10.52	34,193.33	477.73
Additions	-	-	1,344.26	662.06	4,511.48	23.68	-	81.48	66.42	128.43	-	-	6,817.81	1,064.36
Disposals/transfers	-	-	-	-	(3,425.05)	(35.25)	-	(118.31)	(36.99)	(34.25)	(62.69)	-	(3,712.54)	(807.32)
Balance as at March 31, 2024	693.56	413.99	1,378.49	4,155.45	28,085.54	431.47	27.80	627.69	376.87	1,054.19	43.03	10.52	37,298.60	734.77
Additions	-	-	-	101.39	3,860.79	97.14	-	28.91	46.91	61.34	-	-	4,196.48	2,604.49
Disposals/transfers	-	-	-	-	(456.44)	(65.94)	-	(16.37)	(13.26)	-	-	-	(552.01)	(1,065.57)
Balance as at March 31, 2025	693.56	413.99	1,378.49	4,256.84	31,489.89	462.67	27.80	640.23	410.52	1,115.53	43.03	10.52	40,943.07	2,273.69
Accumulated depreciation														
As at April 01, 2023	-	67.22	28.91	1,572.45	13,819.56	211.32	27.80	579.67	280.01	700.12	99.49	10.44	17,396.99	-
Charge for the year	-	4.60	73.06	151.80	2,166.69	61.18	-	52.46	34.43	39.98	1.61	-	2,585.81	-
Disposals	-	-	-	-	(3,298.14)	(33.77)	-	(118.31)	(35.90)	(30.98)	(62.69)	-	(3,579.79)	-
Balance as at March 31, 2024	-	71.82	101.97	1,724.25	12,688.11	238.73	27.80	513.82	278.54	709.12	38.41	10.44	16,403.01	-
Charge for the year	-	4.60	247.05	275.82	2,384.07	56.20	-	59.43	58.49	82.22	1.19	-	3,169.07	-
Disposals	-	-	-	-	(311.47)	(56.45)	-	(16.37)	(13.29)	-	-	-	(397.58)	-
Balance as at March 31, 2025	-	76.42	349.02	2,000.07	14,760.71	238.48	27.80	556.88	323.74	791.34	39.60	10.44	19,174.50	-
Net block as at March 31, 2025	693.56	337.57	1,029.47	2,256.77	16,729.18	224.19	-	83.35	86.78	324.19	3.43	0.08	21,768.57	2,273.69
Net block as at March 31, 2024	693.56	342.17	1,276.52	2,431.20	15,397.43	192.74	-	113.87	98.33	345.07	4.62	0.08	20,895.59	734.77
(i) Expenditures capitalised in the carrying amount of property plant and equipment														
The Group has capitalised the following expenses under Plant and equipment (dies and moulds):														

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
Gross block			
As at April 01, 2023	40.77	512.27	553.04
Additions/transfers	-	-	-
Disposals/assets written off			
As at March 31, 2024	40.77	512.27	553.04
Additions/transfers	-	-	-
Balance as at March 31, 2025	40.77	512.27	553.04
Accumulated depreciation			
As at April 01, 2023	-	270.90	270.90
Charge for the year	-	16.66	16.66
As at March 31, 2024	-	287.56	287.56
Charge for the year	-	16.66	16.66
Balance as at March 31, 2025	-	304.22	304.22
Net block as at March 31, 2025	40.77	208.05	248.82
Net block as at March 31, 2024	40.77	224.71	265.48

(i) Amount recognised in profit and loss for investment property

Particulars	March 31, 2025	March 31, 2024
Rental income	296.16	245.31
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property before depreciation	296.16	245.31
Less: depreciation expense	16.66	16.66
Profit from leasing of investment property after depreciation	279.50	228.65

*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

(ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 42 (ii) for details on future minimum lease rentals.

(iii) Fair value of investment property:

Particulars	March 31, 2025	March 31, 2024
Fair value	830.38	837.47

The Group obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Group considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 4 INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Total
Gross block			
As at April 01, 2023	401.96	494.16	896.12
Additions	21.37	-	21.37
Disposals	(37.10)	-	(37.10)
Balance as at March 31, 2024	386.23	494.16	880.39
Additions	4.39	29.78	34.17
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	385.36	523.94	909.30
Accumulated amortisation			
As at April 01, 2023	378.17	450.64	828.81
Amortisation charge for the year	15.76	16.55	32.31
Disposals	(37.10)	-	(37.10)
As at March 31, 2024	356.83	467.19	824.02
Amortisation charge for the year	10.30	46.33	56.63
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	361.87	513.52	875.39
Net block as at March 31, 2025	23.49	10.42	33.91
Net block as at March 31, 2024	29.40	26.97	56.37

Notes:**(i) Research and development expenses**

Refer note 45 for expenses incurred on research and development activities.

NOTE - 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD[^]

	As at March 31, 2025	As at March 31, 2024
(i) Investments in equity instruments		
Joint ventures		
(Unquoted)		
Magneti Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2024: 11,780,000 shares) of ₹ 10 each	5,117.59	3,803.93
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2024: 9,500,000 shares) of ₹ 10 each	1,285.34	940.08
	6,402.93	4,744.01
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	6,402.93	4,744.01
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2025	As at March 31, 2024
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

[^]Refer note 41 - Group information for summarised financial information of joint ventures.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 6 INVESTMENTS

	As at March 31, 2025	As at March 31, 2024
(i) Investments in equity instruments (Unquoted, at fair value through other comprehensive income)*		
QH Talbros Private Limited 177,962 shares (March 31, 2024: 177,962 shares) of ₹ 10 each	240.57	190.99
Talbros International Private Limited 1,326,970 shares (March 31, 2024: 1,326,970 shares) of ₹ 10 each	14,128.78	13,393.24
T & T Motors Limited 83,333 shares (March 31, 2024: 83,333 shares) of ₹ 10 each	170.38	253.77
Others (Unquoted, at fair value through profit and loss)		
Caparo Power Limited 2378 equity shares of ₹ 42.04 each	1.00	-
	14,540.73	13,838.00
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	14,540.73	13,838.00
Aggregate amount of impairment in value of investments	-	-

*The Company holds investment in unquoted equity instruments that are not held for trading but are maintained for medium to long-term strategic purposes. Due to the absence of an active market and the wide range of possible fair value measurements, determining a reliable fair value is impracticable. Furthermore, the cost of obtaining such fair value information would outweigh the benefits to users of the financial statements. Accordingly, cost has been considered the best estimate of fair value.

NOTE - 7

A LOANS - CURRENT

(Unsecured, considered good)

Inter-corporate deposits	158.46	270.43
	158.46	270.43

NOTE - 8

A Other financial assets - non-current

(Unsecured, considered good)

Security deposits	264.40	244.60
Bank deposits with more than 12 months maturity*	2,854.08	6,821.55
	3,118.48	7,066.15

*Under lien with banks amounting to ₹ 6.04 Lacs (Previous Year - ₹ 127.91 Lacs) as security against borrowings.

B Other financial assets - current

(Unsecured, considered good)

Recoverable from employees	40.96	15.23
Security deposits	25.27	27.87
Derivative assets on forward contracts	51.63	40.41
Claims and other recoverable	72.90	72.90
	190.76	156.41

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 9

Non-current tax assets	March 31, 2025	March 31, 2024
Advance income tax	2,694.29	4,044.19
Less: Provision for taxation	(2,529.10)	(3,718.89)
	165.19	325.30

NOTE - 10**A Other non-current assets**

	March 31, 2025	March 31, 2024
Prepaid expenses	10.19	8.30
Accrued lease income	35.58	23.82
Capital advances	301.59	638.18
	347.36	670.30

B Other current assets

Advances to suppliers		
- Considered good	642.55	673.79
- Considered doubtful	56.84	36.84
Balance with government authorities		
- Considered good	929.48	1,057.94
- Considered doubtful	167.45	123.10
Prepaid expenses	156.85	161.28
Insurance claim receivables	11.84	16.29
Surplus planned assets	266.56	217.37
Accrued lease income	1.43	2.70
Others	337.10	291.43
	2,570.10	2,580.74
Less : Provision for doubtful advances	(224.29)	(159.94)
	2,345.81	2,420.80

NOTE - 11 INVENTORIES

(Lower of cost or net realisable value)		
Raw material	4,873.34	5,463.24
Work in progress	4,063.35	3,768.01
Finished goods including stock in trade	3,060.83	2,827.61
Stores and spares	587.86	618.33
	12,585.38	12,677.19
i) The above includes goods in transit as under:		
Raw material	1,207.29	1,264.34
Stores and spares	-	-
	1,207.29	1,264.34

NOTE - 12 TRADE RECEIVABLES^

Trade receivables considered good, unsecured	24,569.56	21,032.75
Trade receivables - which have significant increase in credit risk	88.47	57.14
Trade receivables - credit impaired	455.27	511.85
	25,113.30	21,601.74
Less: Allowance for expected credit loss	(543.74)	(568.99)
	24,569.56	21,032.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 12 TRADE RECEIVABLES^ (CONTD.)

	March 31, 2025	March 31, 2024
Includes trade receivables from companies in which directors are interested^		
Talbro's Marugo Rubber Private Limited	8.19	33.05
QH Talbro's Private Limited	1,069.58	1,760.80
Talbro's Indiparts Private Limited	665.06	918.68

*Refer note 46 for ageing details

^Refer note 39 for related party transactions

The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.

NOTE - 13 CASH AND CASH EQUIVALENTS

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand	10.41	23.66
Balances with banks		
-in current accounts	1,457.97	105.70
Deposits with original maturity less than 3 months	15.91	106.69
	1,484.29	236.05

NOTE - 14 OTHER BANK BALANCES

Deposits with maturity of not less than 3 months but not more than 12 months	4,335.53	3.80
Margin money deposits (under lien with banks)	463.62	254.61
Earmarked balances with banks		
- Unpaid dividend account	20.93	25.07
	4,820.08	283.48

NOTE - 15 EQUITY SHARE CAPITAL

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
i Authorised				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
	10,00,00,000	2,000.00	10,00,00,000	2,000.00
ii Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	6,17,28,150	1,234.56	6,17,28,150	1,234.56
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
Changes during the year	-	-	-	-
Balance at the end of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56

iv Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 15 EQUITY SHARE CAPITAL (CONTD.)**v Details of equity shares held by shareholders holding more than 5% shares in the Company**

Name of the equity shareholders	As at March 31, 2025		As at March 31, 2024	
	No. of shares	%	No. of shares	%
Talbro International Private Limited	2,64,77,983	42.89%	2,64,77,983	42.89%

- vi** There are no shares issued for consideration other than cash and no shares have been bought back in last five years.
- vii** There are no shares reserved for issue under options or other purpose.
- viii** The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

NOTE - 16 OTHER EQUITY

	As at March 31, 2025	As at March 31, 2024
General reserve	948.23	898.23
Retained earnings	45,738.15	36,780.75
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	10,649.31	10,111.06
Total other equity	62,029.21	52,483.55

Nature and purpose of other reserves**i General reserve**

General reserve is created out of the accumulated profits of the Group as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

ii Retained earnings

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

iii Capital reserve

Capital reserve includes the amount of share application money forfeited by the Holding Company.

iv Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

v Equity instruments through other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 17

A Long term borrowings

	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans		
From banks - Rupee loan		
- Yes bank	294.62	330.68
- Vehicle Loans	62.64	11.80
	357.26	342.48
Amount disclosed under other financial liabilities and Short-term borrowings:		
Current maturity of long-term debts	166.48	352.77
Interest accrued on borrowings	73.25	66.55

Notes:

- The Company has taken vehicle loans from banks. The amount is secured against moveable fixed assets.
- Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2025	March 31, 2024
Term loans, secured				
From banks - Rupee loan				
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	March 31, 2025: 8.00% to 8.15% March 31, 2024: 7.10% to 7.10%	62.64	11.80
Yes Bank	60 equal monthly instalment after 12 months moratorium period from the date of first disbursement.	March 31, 2025 : 8.85% to 9.50% March 31, 2024 : 8.50% to 9.50%	294.62	330.68
From others:				
			357.26	342.48

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 17 (CONTD.)

	As at March 31, 2025	As at March 31, 2024
B Short term borrowings		
Current maturity of long-term borrowings	166.48	352.77
Secured		
a) Working capital loan from bank		
HDFC Bank*	3,908.19	3,606.18
DBS Bank*	84.33	87.64
Yes Bank*	300.00	300.00
Axis Bank*	1,500.00	1,884.34
Federal Bank *	1,315.59	2,046.56
ICICI Bank*	676.41	-
	7,951.00	8,277.49

Notes:

* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

Short-term borrowings (excluding current maturities of long-term borrowings)

Particulars	Terms of repayment	Interest Rate	March 31, 2025	March 31, 2024
Working capital loan, secured				
HDFC Bank	Within 365 days	March 31, 2025: 4.96% to 8.71% March 31, 2024: 4.00% -9.85%	3,908.19	3,606.18
DBS Bank	Within 365 days	March 31, 2025: 9.05% to 9.60% March 31, 2024: 4.25%-9.05%	84.33	87.64
Yes Bank	Within 365 days	March 31, 2025: 6.32% to 8.40% March 31, 2024: 4.95% - 7.00%	300.00	300.00
Axis Bank	Within 365 days	March 31, 2025: 8.17% to 8.35% March 31, 2024: 6.25% -8.95%	1,500.00	1,884.34
Federal Bank	Within 365 days	March 31, 2025: 6.15% to 8.35% March 31, 2024: 4.00% - 8.95%	1,315.59	2,046.56
ICICI Bank	Within 365 days	March 31, 2025: 8.20% to 9.25% March 31, 2024: Nil	676.41	-
			7,784.52	7,924.72

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 17 (CONTD.)

C Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings [^]	Total
As at March 31, 2024	1,250.28	695.25	7,932.72	9,878.25
Cash flow:				
- Proceeds from Borrowings	-	253.23	(144.57)	108.66
- Additions	-			-
- Repayment (including matured deposits)	(280.62)	(424.74)	-	(705.36)
Other movements:				
- Movement in bills discounted from banks	-	-	-	-
Other non-cash movements:				
- Accrual of interest on lease liabilities	103.91	-	-	103.91
As at March 31, 2025	1,073.57	523.74	7,788.15	9,385.46

[^]including unclaimed matured deposits

	As at March 31, 2025	As at March 31, 2024
NOTE - 18		
A Lease liabilities - non-current		
Lease liabilities	804.00	987.13
	804.00	987.13
B Lease liabilities - current		
Lease liabilities	269.57	263.15
	269.57	263.15

NOTE - 19		
A Other financial liabilities - non-current		
Security deposits	48.20	25.13
	48.20	25.13
B Other financial liabilities - current		
Interest accrued on borrowings	73.25	66.55
Employee related payables	609.81	670.71
Security deposits	63.10	71.48
Unclaimed dividend	20.93	25.07
Unclaimed matured deposits	3.63	8.00
Other payables	28.55	22.57
	799.27	864.38

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
NOTE - 20		
A Provisions - non-current		
Employees' long-term benefits		
Compensated absences	266.98	211.87
	266.98	211.87
For movements in each class of provision during the financial year, refer note 44		
B Provisions - current		
Employees' long-term benefits		
Compensated absences	136.50	132.75
	136.50	132.75
For movements in each class of provision during the financial year, refer note 44		
NOTE - 21		
Deferred tax liabilities		
Deferred tax liabilities arising on account of :		
Depreciation	567.00	566.51
Equity instruments carried at FVOCI	3,234.34	3,070.86
Others	-	2.62
Deferred tax asset arising on account of :		
Allowance for doubtful debts and advances	193.30	183.46
Disallowances u/s 43B	127.95	109.84
Others	13.94	-
	3,466.15	3,346.69

Particulars	March 31, 2024	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2025
Deferred tax liability:					
Depreciation	566.51	-	0.49	-	567.00
Equity instruments carried at FVOCI	3,070.86	-	-	163.48	3,234.34
Others	2.62	-	(2.62)	-	-
Deferred tax asset:					
Allowance for doubtful debts and advances	183.46	-	9.84	-	193.30
Disallowances u/s 43B	109.84	-	15.86	2.25	127.95
Others	-	-	13.94	-	13.94
	3,346.69	-	(41.77)	161.23	3,466.15

Note:

	March 31, 2025	March 31, 2024
(i) Breakup of amounts recognised in statement of profit and loss:		
Recognised as part of:	(41.77)	(31.87)
- Deferred tax	(41.77)	(31.87)
(ii) The Group does not recognise deferred tax liability ₹ 1,075.92 Lacs (March 31, 2024 : ₹ 658.41 Lacs) with respect to unremitted retained earnings of joint ventures wherever it controls the timing of the distribution of profits and it is probable that the joint venture will not distribute the profits in the foreseeable future.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 22

	As at March 31, 2025	As at March 31, 2024
A Other non-current liabilities		
Deferred income	16.44	3.39
Advance from customers [^]	-	106.43
	16.44	109.82
B Other current liabilities		
Advance from customers [^]	587.07	440.69
Payable to statutory authorities	125.39	183.22
Deferred income	4.59	2.21
	717.05	626.12
[^] represents contract liabilities		
Reconciliation of contract liabilities:		
Contract liabilities at the beginning of the year	547.12	358.27
Less: performance obligations satisfied in current year	(90.93)	(96.16)
Add: advance received during the year	130.88	285.01
Contract liabilities at the end of the year	587.07	547.12

NOTE - 23

Trade payables*

Total outstanding dues of micro enterprises and small enterprises	888.37	847.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,069.46	15,920.15
	16,957.83	16,767.96

*Refer note 39 for related party transactions and note 46 for ageing details.

The Group has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2025 and March 31, 2024:

Particulars	March 31, 2025	March 31, 2024
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	888.37	847.81
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 24

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations		
Sale of products	77,413.61	72,927.59
Other operating income	5,291.61	4,899.09
	82,705.22	77,826.68
Disaggregation of revenue:		
Gaskets	50,726.32	47,034.26
Forgings	26,687.28	25,893.34
Others	5,291.62	4,899.08
	82,705.22	77,826.68

Refer material accounting policy for information about the Company's performance obligations

NOTE - 25 OTHER INCOME

Interest income on:		
- Inter corporate deposits	26.07	37.83
- Fixed deposits with banks	565.66	123.34
- Other financial assets at amortised cost	8.60	2.21
Dividend income from:		
- Related parties	355.48	349.83
Royalty	126.91	119.70
Lease rentals	296.16	245.31
Net gain on foreign currency transactions	199.55	212.42
Profit on sale of property, plant and equipment (net)	158.76	74.43
Other non-operating income	30.62	94.60
	1,767.81	1,259.67

NOTE - 26 COST OF MATERIALS CONSUMED

Opening inventory	5,463.24	5,482.70
Add: Purchases	42,467.80	41,139.37
	47,931.04	46,622.07
Less: Closing inventory	4,873.34	5,463.24
	43,057.70	41,158.83
Cost of raw materials consumed include:		
Tinplate/P.C.R.C.A/steel/copper	9,554.55	9,665.50
Jointing	9,136.52	8,598.05
Forging steels	13,625.97	13,170.58
Bought out auto components and parts	6,924.11	6,456.06
Others	3,816.55	3,268.64
	43,057.70	41,158.83

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 27 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2025	Year ended March 31, 2024
Purchase of stock-in-trade		
Dyna bond	405.92	495.76
	405.92	495.76

NOTE - 28

Change in inventories of finished goods, work in progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods (including stock in trade)	3,060.83	2,827.61
Work-in-progress	4,063.35	3,768.01
Inventories at the beginning of the year:		
Finished goods (including stock in trade)	2,827.61	2,265.94
Work-in-progress	3,768.01	4,923.52
Net decrease	(528.56)	593.84

NOTE - 29

Employee benefits expense		
Salaries and wages	8,316.22	7,238.76
Contributions to provident and other fund	345.58	324.94
Staff welfare expenses	564.05	548.20
	9,225.85	8,111.90

NOTE - 30

Finance costs		
Interest on borrowings	1,151.45	1,192.29
Interest on lease liabilities	103.91	33.29
Interest on others	3.66	2.15
Other borrowing cost	110.63	98.81
	1,369.65	1,326.54

NOTE - 31

Depreciation and amortisation expense		
Depreciation on:		
- Property plant and equipment^	3,169.07	2,585.81
- Investment property	16.66	16.66
Amortisation of:		
- Intangible assets	56.63	32.31
	3,242.36	2,634.78
Less: depreciation capitalised	54.55	43.69
	3,187.81	2,591.09

^Includes depreciation on right of use assets ₹ 251.65 Lacs (previous year ₹ 77.66 Lacs)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 32

	Year ended March 31, 2025	Year ended March 31, 2024
Other expenses		
Consumption of stores and spares parts	6,348.77	5,834.15
Labour and processing charges	727.87	874.86
Royalty	47.63	37.67
Power and fuel	2,614.74	2,427.80
Rent	29.83	15.71
Repairs to buildings	72.90	114.93
Repairs to plant & machinery	672.38	671.58
Repairs to other assets	370.18	260.41
Insurance	200.71	190.39
Travelling, tour & conveyance	1,123.68	1,003.17
Sales promotion expenses	269.05	245.12
Packing, freight & forwarding	3,525.80	3,088.77
Rates and taxes	30.14	28.60
Corporate social responsibility expenditure	129.01	88.32
Allowance for doubtful trade receivables/advances	135.00	180.61
Advances written off	0.10	15.62
Legal and professional	289.93	249.41
Payment to auditors:		
- As Auditors:		
Audit fee	16.20	14.73
Tax audit fee	2.20	2.00
- In other capacity:		
Limited review	3.30	3.00
Other services	0.30	0.28
Out of pocket expenses	4.00	3.25
Donation	11.76	11.24
Miscellaneous expenses	959.71	639.56
	17,585.19	16,001.17

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- a) Gross amount required to be spent by the Company during the year is ₹ 129.01 Lacs (March 31, 2024: ₹ 88.32 Lacs).
- b) Amount spent during the financial year ended March 31, 2025 and March 31, 2024 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2025	2.10	-	2.10
	March 31, 2024	-	-	-
Donation paid to charitable trust	March 31, 2025	126.91	-	126.91
	March 31, 2024	88.32	-	88.32

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 33

	Year ended March 31, 2025	Year ended March 31, 2024
Exceptional items		
Profit on sale of investment in joint venture	-	4,292.06
Less: expenses incurred in relation to the sale of investment	-	(46.52)
	-	4,245.54

During the previous year, the Company divested and sold its entire 40% stake in its Joint Venture "Nippon Leakless Talbros Private Limited" Constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The Company disclosed net gain from the transaction as an exceptional item in the financial statements after considering carrying amount of investment and expenses in relation to the transaction. The capital gain tax on sale of investment was disclosed as part of the tax expense.

NOTE - 34

	Year ended March 31, 2025	Year ended March 31, 2024
Income tax		
Tax expense comprises of:		
Current tax	2,529.10	3,718.89
Deferred tax charge	(41.77)	(31.87)
Earlier years tax adjustments (net)	12.69	(14.74)
Income tax expense reported in the statement of profit and loss	2,500.02	3,672.28

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	11,943.29	14,669.91
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	3,005.89	3,692.12
Tax \effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of different rate of tax	(13.14)	(153.87)
Earlier years tax adjustments (net)	12.69	(14.74)
Impact of tax on profit from joint ventures	416.79	450.71
Impact of tax on dividend received from joint ventures	29.65	29.65
Others	(951.86)	(331.59)
Income tax expense	2,500.02	3,672.28

NOTE - 35

EARNINGS PER SHARE (EPS)		
Profit attributable to equity shareholders	9,443.27	10,997.63
Profit attributable to equity shareholders adjusted for the effect of dilution	9,443.27	10,997.63
Weighted average number of equity shares for Basic EPS	6,17,28,150	6,17,28,150
Weighted average number of equity shares for Diluted EPS	6,17,28,150	6,17,28,150
(1) Basic *	15.30	17.82
(2) Diluted *	15.30	17.82

* EPS for the previous year has been restated due to adjustment of share split

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36**Fair value disclosures****(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL	-	-	1.00	1.00
Investments at FVOCI	-	-	14,539.73	14,539.73
Derivative assets on forward contracts	-	51.63	-	51.63
Total financial assets	-	51.63	14,540.73	14,592.36
March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI	-	-	13,838.00	13,838.00
Derivative Asset on forward contracts	-	40.41	-	40.41
Total financial assets	-	40.41	13,838.00	13,878.41

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024	1% increase in inputs	1% decrease in inputs
Unquoted equity shares#	14,539.73	13,838.00	Terminal growth rate	5%	5%	March 31, 2025: ₹ 15,050 Lacs March 31, 2024: - ₹ 14,201 Lacs	March 31, 2025: ₹ 14,121 Lacs March 31, 2024: - ₹ 13,529 Lacs

*Sensitivity has been considered for mentioned inputs, keeping the other variables constant

#excluding investment in equity shares measured at fair value through profit and loss, as the cost of investment is considered the fair value thereof.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 36 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2025 and March 31, 2024:

Particulars	Equity shares
As at March 31, 2023	5,527.32
Disposal during the year	-
Gain recognised in other comprehensive income	8,310.68
As at March 31, 2024	13,838.00
Disposal during the year	-
Gain recognised in other comprehensive income	701.73
As at March 31, 2025	14,539.73

(vi) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2025		March 31, 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	264.40	264.40	244.60	244.60
Other financial assets	Level 3	2,854.08	2,854.08	6,821.55	6,821.55
Total financial assets		3,118.48	3,118.48	7,066.15	7,066.15
Financial liabilities					
Borrowings	Level 3	596.99	596.99	761.80	761.80
Other financial liabilities	Level 3	48.20	48.06	25.13	24.53
Total financial liabilities		645.19	645.05	786.93	786.33

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2025 was assessed to be insignificant.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT**(i) Financial instruments by category**

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	1.00	14,539.73	-	-	13,838.00	-
Trade receivables	-	-	24,569.56	-	-	21,032.75
Loans	-	-	158.46	-	-	270.43
Cash and cash equivalents	-	-	1,484.29	-	-	236.05
Other bank balances	-	-	4,820.08	-	-	283.48
Other financial assets	51.63	-	2,967.94	40.41	-	6,909.68
Security deposits	-	-	289.67	-	-	272.47
Total financial assets	52.63	14,539.73	34,290.00	40.41	13,838.00	29,004.86
Financial liabilities						
Borrowings	-	-	8,381.51	-	-	8,686.52
Lease liabilities	-	-	1,073.57	-	-	1,250.28
Trade payables	-	-	16,957.83	-	-	16,767.96
Other financial liabilities	-	-	774.22	-	-	822.96
Total financial liabilities	-	-	27,187.13	-	-	27,527.72

*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

(ii) Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Holding Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Group's risk management is carried out by a central treasury department (of the Holding Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2025	March 31, 2024
A: Low	Loans	158.46	270.43
	Other financial assets	3,257.61	7,182.15
	Cash and cash equivalents	1,484.29	236.05
	Other bank balances	4,820.08	283.48
B: Medium	Trade receivables	25,113.30	21,601.74

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)**b) Expected credit losses***Trade receivables*

- (i) The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2025		March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	24,745.90	367.40	20,827.31	774.43
Expected loss rate	2.12%	5.34%	2.60%	3.50%
Expected credit loss (loss allowance provision)	524.11	19.63	541.87	27.12

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2023	388.39
Add: Changes in loss allowances	180.60
Loss allowance on March 31, 2024	568.99
Less: Changes in loss allowances	(25.25)
Loss allowance on March 31, 2025	543.74

Other financial assets measured at amortised cost

Group provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Expiring within one year (cash credit and other facilities)	4,146.67	2,223.88
Expiring beyond one year (bank loans - floating rate)	492.91	664.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2025	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,989.80	380.13	16.00	8,385.93
Security deposit received	63.10	31.26	16.94	111.30
Trade payable	16,957.83	-	-	16,957.83
Other financial liabilities*	736.17	-	-	736.17
Total	25,746.90	411.39	32.94	26,191.23

March 31, 2024	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,323.99	381.30	9.00	8,714.29
Security deposit received	71.48	7.99	17.14	96.62
Trade payable	16,767.96	-	-	16,767.96
Other financial liabilities*	792.90	-	-	792.90
Total	25,956.33	389.29	26.14	26,371.76

*excludes lease liabilities, for maturities of lease liabilities refer note 43 (i) D.

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited.

Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2025	March 31, 2024
Import trade payables:		
CNY (₹ in Lacs)	-	2.71
₹ (₹ in Lacs)	-	31.47
EURO (in Lacs)	3.45	3.73
₹ (₹ in Lacs)	317.66	336.40
US\$ (in Lacs)	36.04	40.18
₹ (₹ in Lacs)	3,081.48	3,351.23
GBP (in Lacs)	-	0.28
₹ (₹ in Lacs)	-	29.11

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	March 31, 2025	March 31, 2024
JPY (in Lacs)	590.20	481.84
₹ (₹ in Lacs)	335.53	265.45
Export trade receivables:		
EURO (in Lacs)	34.46	25.75
₹ (₹ in Lacs)	3,177.06	2,317.98
US\$ (in Lacs)	30.04	20.62
₹ (₹ in Lacs)	2,567.92	1,719.12
GBP (in Lacs)	0.16	0.26
₹ (₹ in Lacs)	17.50	27.08

The Group does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2025	March 31, 2024
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	24.00	21.00
₹ (₹)	2,262.51	1,890.00
US\$ (in Lacs)	-	4.50
₹ (₹)	-	375.98

All the above contracts are maturing within one year.

Sensitivity

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Financial assets					
5% movement (previous year 5%)	EURO	(106.99)	(74.14)	106.99	74.14
4% movement (previous year 4%)	US\$	15.37	48.85	(15.37)	(48.85)
5% movement (previous year 5%)	YEN	12.55	9.93	(12.55)	(9.93)

(ii) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowing	8,220.56	8,608.17
Fixed rate borrowing	87.70	11.80
Total borrowings	8,308.26	8,619.97

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2025	March 31, 2024
Interest rates – increase by 50 basis points	(30.76)	(32.21)
Interest rates – decrease by 50 basis points	30.76	32.21

iii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

iv) Price risk

Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Particulars	March 31, 2025	March 31, 2024
Investments carried at fair value through other comprehensive income	14,539.73	13,838.00
Investments carried at fair value through statement of profit and loss	1.00	-
Total investments	14,540.73	13,838.00

Sensitivity

Refer note 36(iv) for sensitivity analysis.

NOTE - 38

A Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio at March 31, 2025 was as follows.

Particulars	March 31, 2025	March 31, 2024
Total borrowings	8,381.51	8,686.52
Less : cash and cash equivalents	1,484.29	236.05
Net debt	6,897.22	8,450.47
Total equity	63,263.77	53,718.11
Adjusted net debt to adjusted equity ratio	0.11	0.16

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 38 (CONTD.)**B Dividend**

Particulars	March 31, 2025	March 31, 2024
Proposed dividend		
Proposed dividend for the year ended March 31, 2025 - ₹ 0.50 per share (March 31, 2024 - ₹ 0.50 per share)	308.64	308.64
Final dividend paid		
Final and Interim dividend paid during the year ended March 31, 2025 - ₹ 0.70 per share (March 31, 2024 - ₹ 0.60 per share)	432.09	370.36

NOTE - 39**Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:**Jointly controlled entities**

- (i) Nippon Leakless Talbros Private Limited (Ceased to be related party wef January 25, 2024)
- (ii) Marelli Talbros Chassis Systems Private Limited
- (iii) Talbros Marugo Rubber Private Limited

Investing party in respect of which the Company is a subsidiary

- (i) Talbros International Private Limited

Key management personnel and their relatives

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Rakesh Vohra
- (ix) Mr. Tarun Singhal
- (x) Mr. Rajat Verma
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 39 (CONTD.)

Fellow Subsidiaries

- (i) QH Talbro's Private Limited
- (ii) Talbro's Indiparts Private Limited

(ii) Transactions with related parties carried out in the ordinary course of business:

(a) Transactions with joint ventures and fellow subsidiaries :

S. No.	Particulars	2024-25	2023-24
1	Sale of goods		
	QH Talbro's Private Limited	7,324.66	8,847.04
	Talbro's Indiparts Private Limited	3,735.42	4,118.00
	Nippon Leakless Talbro's Private Limited	-	43.90
	Talbro's Marugo Rubber Private Limited	63.89	211.23
2	Sale of services		
	Talbro's Marugo Rubber Private Limited	35.40	35.40
3	Royalty income		
	QH Talbro's Private Limited	122.39	124.09
	Talbro's Indiparts Private Limited	27.36	17.15
4	Purchase of goods		
	Nippon Leakless Talbro's Private Limited	-	3.21
5	Lease rental income		
	Marelli Talbro's Chassis Systems Private Limited	229.73	218.79
	Talbro's Indiparts Private Limited	18.03	17.17
6	Reimbursement of expenses/payments		
	Marelli Talbro's Chassis Systems Private Limited	142.88	114.72
	Talbro's Marugo Rubber Private Limited	5.09	0.20
	Talbro's International Private Limited	11.52	6.64
	QH Talbro's Private Limited	1.85	4.54
	Talbro's Indiparts Private Limited	23.60	10.42
7	Dividend paid		
	Talbro's International Private Limited	185.35	158.81
8	Dividend Received		
	Talbro's International Private Limited	265.39	261.41
	QH Talbro's Private Limited	80.08	80.08
	Marelli Talbro's Chassis Systems Private Limited	117.80	117.80

Note: All transactions are inclusive of taxes, wherever applicable

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 39 (CONTD.)

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

S. No.	Balance Outstanding at the end of the year	2024-25	2023-24
1	Outstanding balance included in financial assets (Trade receivable and other recoverable)		
	Talbro's Marugo Rubber Private Limited	8.19	33.05
	Nippon Leakless Talbro's Private Limited*	-	26.76
	QH Talbro's Private Limited	1,069.58	1,760.80
	Marelli Talbro's Chassis Systems Private Limited	11.24	-
	Talbro's Indiparts Private Limited	665.06	918.68
2	Outstanding balance included in financial liabilities		
	Marelli Talbro's Chassis Systems Private Limited	22.26	22.26

*Represents balance as on January 25, 2024

(b) Transactions with key management personnel and their relatives :

S. No.	Particulars	2024-25	2023-24
1	Remuneration		
	Short-term employee benefits		
	Mr. Umesh Talwar	181.80	181.80
	Mr. Anuj Talwar	181.80	181.80
	Mr. Manish Khanna	58.71	55.46
	Ms. Seema Narang	39.99	37.24
	Other long-term benefits		
	Mr. Umesh Talwar	(0.02)	2.81
	Mr. Anuj Talwar	1.15	0.75
	Mr. Manish Khanna	5.51	0.91
	Ms. Seema Narang	0.68	2.45
	Post-employment benefits		
	Mr. Umesh Talwar	18.08	30.18
	Mr. Anuj Talwar	21.28	17.88
	Mr. Manish Khanna	3.77	3.38
	Ms. Seema Narang	4.37	4.12
	Fee for attending board & committee meetings to all the KMP's	21.45	10.65
2	Rent paid		
	Mrs. Kum Kum Talwar	7.20	7.20

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 40 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total consolidated income	Amount
Parent								
Talbro's Automotive Components Limited	89.88%	56,860.84	81.22%	7,669.44	99.46%	531.58	82.19%	8,201.03
Joint venture (Investment as per the equity method)								
Indian								
Marelli Talbro's Chassis Systems Private Limited	8.09%	5,117.59	15.15%	1,431.06	0.07%	0.40	14.35%	1,431.46
Talbro's Marugo Rubber Private Limited	2.03%	1,285.34	3.63%	342.76	0.47%	2.50	3.46%	345.26
Total	100.00%	63,263.77	100.00%	9,443.26	100.00%	534.48	100.00%	9,977.74

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 GROUP INFORMATION**(a) Interests in joint ventures**

Set out below are joint ventures of the Holding Company as at March 31, 2025 which, in the opinion of the directors, are material to the Holding Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% equity Interest	Relationship	Accounting method
Talbro Marugo Rubber Private Limited	India	50% less one share	Joint Venture	Equity method
Marelli Talbro Chassis Systems Private Limited	India	50%	Joint Venture	Equity method

(i) Contingent liabilities and commitments (net of advance) in respect of joint ventures for which the Holding Company is liable.

- (a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 1482.10 Lacs (March 31, 2024: ₹ 477.56 Lacs).
- (b) Outstanding exports commitments against EPCG license amounting to ₹ 1418.40 (March 31, 2024 : Nil).
- (c) Guarantees executed in favour of customers and authorities amounting to ₹ 22.75 Lacs (March 31, 2024: ₹ 74.25 Lacs).
- (d) Demand of excise duty amounting to Nil (March 31, 2024 : Nil).
- (e) **Income tax demands pending in appeals**
Income tax demand on disallowance of expenditures amounting to Nil (March 31, 2024: ₹ 3.43 Lacs).
- (f) **Custom duty**
Differential custom duty due to dispute over classification of goods amounting to Nil (March 31, 2024: Nil).
- (g) Bonus payable amounting to Nil (March 31, 2024: Nil).

(ii) Summarised financial information for joint venture

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Holding Company's share of those amounts.

Summarised balance sheet	Talbro Marugo Rubber Private Limited		Marelli Talbro Chassis Systems Private Limited	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Current assets				
Cash and cash equivalents	175.35	135.19	0.80	263.10
Other assets	4,053.66	3,671.96	6,518.80	5,086.50
Total current assets	4,229.01	3,807.15	6,519.60	5,349.60
Property, plant and equipment	3,033.19	3,147.66	4,998.10	4,169.90
Other assets	1,143.68	1,346.62	8,721.23	3,485.00
Total non-current assets	4,176.87	4,494.28	13,719.33	7,654.90

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 GROUP INFORMATION (CONTD.)

Summarised balance sheet	Talbro's Marugo Rubber Private Limited		Marelli Talbro's Chassis Systems Private Limited	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Current liabilities				
Trade payables	2,929.63	3,165.94	3,922.30	2,863.90
Financial liabilities (excluding trade payables)	912.39	1,197.29	2,246.33	452.10
Other liabilities	79.10	25.76	294.70	494.20
Total current liabilities	3,921.12	4,388.99	6,463.33	3,810.20
Non-current liabilities				
Financial liabilities	1,782.98	1,935.39	2,773.70	1,086.00
Other liabilities	131.07	96.85	766.70	500.40
Total non-current liabilities	1,914.05	2,032.24	3,540.40	1,586.40
Net assets	2,570.71	1,880.20	10,235.20	7,607.90

Reconciliation to carrying amounts

Particulars	Nippon Leakless Talbro's Private Limited*		Talbro's Marugo Rubber Private Limited		Marelli Talbro's Chassis Systems Private Limited	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Opening net assets	-	8,315.71	1,880.20	1,657.74	7,607.90	5,962.70
Profit/ (loss) for the year	-	1,404.73	685.52	221.22	2,862.10	1,889.30
Other comprehensive income	-	(0.61)	4.99	1.24	0.80	(8.50)
Dividends paid	-	-	-	-	(235.60)	(235.60)
Closing net assets	-	9,719.83	2,570.71	1,880.20	10,235.20	7,607.90
Holding Company's share in %	-	40.00%	50.00%	50.00%	50.00%	50.00%
Holding Company's share in Indian Rupees	-	3,887.93	1,285.35	940.10	5,117.60	3,803.95
Sale of investment in joint venture	-	(3,887.93)	-	-	-	-
Carrying amount as at March 31, 2025 and March 31, 2024	-	-	1,285.35	940.10	5,117.60	3,803.95

Summarised statement of profit and loss

	Nippon Leakless Talbro's Private Limited*		Talbro's Marugo Rubber Private Limited		Marelli Talbro's Chassis Systems Private Limited	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue	-	7,923.38	12,984.51	12,246.89	28,443.10	25,991.30
Other income	-	339.19	21.15	24.06	56.60	29.80
Depreciation and amortisation	-	226.16	421.48	355.00	787.87	709.40

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 41 GROUP INFORMATION (CONTD.)

	Nippon Leakless Talbros Private Limited*		Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Income tax expense	-	479.98	261.11	89.97	755.30	781.40
Profit/(loss) for the year	-	1,404.73	685.52	221.22	2,862.10	1,889.30
Other comprehensive income	-	(0.61)	4.99	1.24	0.80	(8.50)
Total comprehensive income	-	1,404.12	690.51	222.46	2,862.90	1,880.80

*During the previous year, the Company divested and sold its entire 40% stake in its Joint Venture "Nippon Leakless Talbros Private Limited" Constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The Company disclosed net gain from the transaction as an exceptional item in the financial statements after considering carrying amount of investment and expenses in relation to the transaction. The capital gain tax on sale of investment was disclosed as part of the tax expense.

NOTE - 42**Contingent liabilities and commitments (to the extent not provided for)****A Contingent liabilities**

(1) Claims against the Holding Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2025	March 31, 2024
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	5.34	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	37.74	40.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
Total		416.53	452.86

*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 140.21 Lacs (March 31, 2024: ₹ 251.25 Lacs).

B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 631.71 Lacs (March 31, 2024: ₹ 1446.79 Lacs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43

(i) Leases disclosure as lessee

A The Holding Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Holding Company by entering into these leases and there are no subleases. The Holding Company is prohibited from selling or pledging the underlying leased assets as security.

B Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2025	March 31, 2024
Non-current	804.00	987.13
Current	269.57	263.15
Total	1,073.57	1,250.28

C The table below describes the nature of the Holding Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	3-8	5.63
Land	2	67-73	70.20

D Future minimum lease payments as on March 31, 2025 are as follows:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Minimum lease payments due						
Within 1 year	281.46	87.31	194.15	280.62	103.91	176.71
1-5 years	923.49	145.86	777.63	1,163.09	222.65	940.44
5 years or more	113.75	11.96	101.79	155.61	22.48	133.13
	1,318.70	245.13	1,073.57	1,599.32	349.04	1,250.28

E Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2025	March 31, 2024
Short term leases	29.83	15.71
Leases of low value assets	-	-
Variable lease payments	-	-
Total	29.83	15.71

F Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount	Depreciation expense
As on March 31, 2024		
Building	1,276.52	73.06
Land	342.17	4.60
	1,618.69	77.66

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 43 (CONTD.)

	Carrying amount	Depreciation expense
As on March 31, 2025		
Building	1,029.47	247.05
Land	337.57	4.60
	1,367.04	251.65

(ii) Leases disclosure as lessor**Operating leases**

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 296.16 Lacs (March 31, 2024: ₹ 245.31 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 24). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2025	March 31, 2024
Within one year	316.46	233.51
Later than one year but not later than five years	740.72	453.88
Later than five years	37.04	-

NOTE - 44**Employee benefits****1 Defined contribution plans:**

- A** The Holding Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Holding Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Holding Company:

Provident Fund Plan & Employee Pension Scheme: The Holding Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

Superannuation Scheme: The Holding Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

- B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2025	March 31, 2024
(a) Employer's contribution to Provident fund & other funds	268.28	251.01
(b) Employer's contribution to superannuation fund	7.00	7.33

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 44 (CONTD.)

2 Other Long Term Employee Benefits

A Compensated absences- Earned leave

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet

Particulars	March 31, 2025	March 31, 2024
Present value of obligation at the end of the year	403.48	344.62
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(403.48)	(344.62)

ii) Expenses recognised in statement of profit and loss

Particulars	March 31, 2025	March 31, 2024
Current service cost	130.07	106.82
Interest cost	22.55	20.84
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions		-
- Changes in financial assumptions	2.45	(15.07)
- Changes in experience adjustment	(30.85)	(15.18)
Cost recognised during the year	124.22	97.41

iii) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2025	March 31, 2024
Present value of defined benefit obligation at the beginning of the year	344.62	319.11
Current service cost	130.07	106.82
Interest cost	22.55	20.84
Actuarial (gain)/loss net	(28.40)	(30.25)
Benefits paid	(65.36)	(71.90)
Present value of defined benefit obligation at the end of the year	403.48	344.62

iv) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.93%	7.23%
Salary escalation rate*	5.5/20%	5.5/20%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 44 (CONTD.)**3 Defined benefit plans:****A Gratuity****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognised in the balance sheet

Particulars	March 31, 2025	March 31, 2024
Present value of obligation at the end of the year	942.82	854.81
Fair value of plan assets	1,209.38	1,072.18
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	266.56	217.37

ii) Expenses recognised in other comprehensive income

Particulars	March 31, 2025	March 31, 2024
Return on plan assets	(4.61)	(2.79)
Actuarial (gain)/loss on PBO	13.52	45.31
(Gain)/expenses recognised in other comprehensive income	8.91	42.52

iii) Actuarial (gain)/loss on obligation

Particulars	March 31, 2025	March 31, 2024
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	20.40	(35.06)
- Changes in experience adjustment	(6.88)	80.37

iv) Expenses recognised in statement of profit and loss

Particulars	March 31, 2025	March 31, 2024
Current service cost	76.68	73.01
Interest cost (net)	(19.17)	(22.82)
Cost recognised during the year	57.51	50.19

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 44 (CONTD.)

v) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2025	March 31, 2024
Present value of defined benefit obligation at the beginning of the year	854.81	810.56
Current service cost	76.68	73.01
Interest cost	59.57	54.91
Actuarial (gain)/loss net	13.52	45.32
Benefits paid	(61.76)	(128.99)
Present value of defined benefit obligation at the end of the year	942.82	854.81

vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:

Particulars	March 31, 2025	March 31, 2024
Present value of plan assets at the beginning of the year	1,072.18	1,120.64
Return on plan assets	83.35	80.53
Contributions by employer	115.61	-
Benefits paid during the year	(61.76)	(128.99)
Present value of plan assets at the end of the year	1,209.38	1,072.18

vii) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2025	March 31, 2024
Discount rate	6.92%	7.23%
Salary escalation rate	5.50%	5.50%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2025	For the year ended March 31, 2024	March 31, 2025	March 31, 2024
April 2025- March 2026	April 2024- March 2025	237.52	263.35
April 2026- March 2030	April 2025- March 2029	217.40	182.23
April 2030- March 2035	April 2029- March 2034	301.40	271.72
April 2035 onwards	April 2034 onwards	996.13	899.72

vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)

For the year ended March 31, 2025	For the year ended March 31, 2024	March 31, 2025	March 31, 2024
April 2025- March 2026	April 2024- March 2025	239.14	265.97
April 2026- March 2030	April 2025- March 2029	272.66	229.00
April 2030- March 2035	April 2029- March 2034	546.29	510.96
April 2035 onwards	April 2034 onwards	3,296.88	3,094.03

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 44 (CONTD.)**viii) Sensitivity analysis for defined benefit obligation**

Particulars	March 31, 2025	March 31, 2024
a) Impact of the change in discount rate		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	879.96	800.65
Impact due to decrease of 1.00 %	1,014.88	917.08
b) Impact of the change in salary increase		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	1,034.59	932.75
Impact due to decrease of 1.00 %	864.05	788.10

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2025 is 16.52 years (March 31, 2024: 16.55 years).

NOTE - 45

Research and development costs on inhouse Research and Development centres charged to the statement of profit and loss for the year ended March 31, 2025 is ₹ 322.41 Lacs.(Revenue of ₹ 306.91 Lacs, Capital ₹.15.50 Lacs),March 31, 2024: ₹ 304.10 Lacs,Capital-Nil).

NOTE - 46**Disclosures as per the requirements of Division II of Schedule III to the Act****A Ageing schedule of capital work-in-progress**

March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,175.73	93.15	3.01	1.80	2,273.69
March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.81	32.16	1.80	-	734.77

B Ageing schedule of trade receivables

March 31, 2025	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	18,964.28	5,242.54	451.21	-	-	-	24,658.03
Undisputed trade receivables – credit impaired	-	-	87.87	34.17	99.51	233.72	455.27
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 46 (CONTD.)

March 31, 2025	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross Trade Receivable	18,964.28	5,242.54	539.08	34.17	99.51	233.72	25,113.30
Less: Allowance for expected credit loss							543.74
Total							24,569.56

March 31, 2024	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	16,402.24	4,170.00	255.07	262.58	-	-	21,089.89
Undisputed trade receivables – credit impaired	-	-	-	41.97	270.63	199.25	511.85
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	16,402.24	4,170.00	255.07	304.55	270.63	199.25	21,601.74
Less: Allowance for expected credit loss							568.99
Total							21,032.75

C Ageing schedule of trade payables

March 31, 2025	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	888.37	-	-	-	-	888.37
Others	13,142.10	2,901.40	21.44	1.92	2.60	16,069.46
Total	14,030.47	2,901.40	21.44	1.92	2.60	16,957.83

March 31, 2024	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	847.81	-	-	-	-	847.81
Others	13,033.66	2,853.20	11.71	18.25	3.33	15,920.15
Total	13,881.47	2,853.20	11.71	18.25	3.33	16,767.96

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 46 (CONTD.)**D Details of promoter shareholding**

Name of promoter	March 31, 2025			March 31, 2024		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbro International Private Limited	2,64,77,983	42.89%	0.00%	2,64,77,983	42.89%	0.00%

NOTE - 47**Segment information**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

i Information about major customers

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

ii Information about geographical areas

Particulars	March 31, 2025	March 31, 2024
Revenue from operations attributed to:		
Country of domicile (India)	57,682.43	55,176.61
Foreign countries	25,022.79	22,650.07
Total	82,705.22	77,826.68

NOTE - 48**Disclosure required under Section 186 (4) of The Companies Act, 2013:****(a) Investments made:**

Name of the investee	Amount invested during the year 2024-25	Amount as on March 31, 2025	Amount invested during the year 2023-24	Amount as on March 31, 2024
Investment in equity instruments				
Investment in Joint ventures				
(i) Nippon Leakless Talbros Private Limited	-	-	-	-
(ii) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 48 (CONTD.)

Name of the investee	Amount invested during the year 2024-25	Amount as on March 31, 2025	Amount invested during the year 2023-24	Amount as on March 31, 2024
Investment in others				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
(iv) Caparo Power Limited	1.00	1.00	-	-
Total	1.00	2,785.07	-	2,784.07

(b) Inter corporate deposits given (proposed to be utilised for business purposes):

Name of the payee	Paid/ (recovered) during the year 2024-25	Outstanding amount as on March 31, 2025*	Paid/ (recovered) during the year 2023-24	Outstanding amount as on March 31, 2024*
(i) Fastech Builders Private Limited	-	-	(45.00)	-
(ii) Fastech Projects Private Limited	-	-	(15.00)	-
(iii) Bankey Bihari Engineers LLP	(25.00)	50.00	(10.00)	75.00
(iv) Express Engineers & Spares Private Limited	(80.00)	85.00	(35.00)	165.00
Total	(105.00)	135.00	(105.00)	240.00

*Outstanding amount excludes interest accrued on deposits.

(c) Guarantee given (proposed to be utilised for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2025	Outstanding amount as on March 31, 2024
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

NOTE - 49

Disclosure on audit trail

The Company has used three accounting software namely Oracle Platform-based ERP Software, Integral Infogen Technology Private Limited (ERP 10 G) and SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2025.

- Oracle Platform-based ERP software has a feature of recording audit trail (edit log) facility and the same has operated from April 01, 2024 till August 31, 2024 for all relevant transactions recorded in the software.
- SAP Business One software has a feature of recording an audit trail (edit log) facility, and the same has operated from September 01, 2024 the same has subsequently operated throughout the year for all relevant transactions recorded in the software.
- Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.

Further, the joint ventures incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and has operated throughout the year for all relevant transactions recorded in the software.

The audit trail feature was enabled in all the softwares during the year. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

NOTE - 50

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Group has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Group does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vi) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Group ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Group does not have any transactions with companies struck off.
- (ix) The Group has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

For J.C Bhalla & Co

Chartered Accountants

Firm Registration No.: 001111N

per **Piyush Tripathi**

Partner

Membership No. 524288

Place: Gurugram

Date: May 26, 2025

For and on behalf of Talbros Automotive Components Limited**Anuj Talwar**

Joint Managing Director

[DIN: 00628063]

Umesh Talwar

Vice Chairman and Managing Director

[DIN: 00059271]

Manish Khanna

Chief Financial Officer

Seema Narang

Company Secretary

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Corporate Information

Board of Directors

Mr. Naresh Talwar
(Chairman)

Mr. Umesh Talwar
(Vice Chairman & Managing Director)

Mr. Varun Talwar
(Joint Managing Director)

Mr. Vidur Talwar

Mr. Anuj Talwar
(Joint Managing Director)

Mr. Navin Juneja

Ms. Priyanka Gulati

Mr. Deepak Jain

Mr. Ajay Kumar Vij

Mr. Tarun Singhal

Mr. Rajat Verma

Mr. Rakesh Vohra

Chief Financial Officer

Mr. Manish Khanna

Company Secretary and Compliance Officer

Mrs. Seema Narang

Main Bankers

- ◆ HDFC Bank Limited
- ◆ Axis Bank Limited
- ◆ Federal Bank Limited
- ◆ DBS Bank India Limited
- ◆ Bajaj Finance Limited
- ◆ YES Bank Limited
- ◆ ICICI Bank Limited

Auditors

J. C. Bhalla & Co.,

Chartered Accountants,

B- 5, Sector-6, Noida – 201301

Registrar and Share Transfer Agent

KFin Technologies Limited,

Karvy Selenium Tower B,

Plot number 31 & 32,

Financial District, Gachibowli,

Hyderabad – 500032

Stock Exchanges where Shares are Listed

- ◆ National Stock Exchange of India Limited (NSE)
- ◆ BSE Limited

Corporate Identification Number

L29199HR1956PLC033107

Website

www.talbro.com



CIN - L29199HR1956PLC033107

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