



TALBROS ENGINEERING LIMITED

CIN: L74210HR1986PLC033018

Regd. Office: Plot No. 74-75-76, Sector-6, Faridabad, Haryana – 121006

Telephone: +91-129-4284300, Fax: +91-129-4061541

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

28th August, 2020

To

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

Sub.: Submission of Annual Report for the Financial Year 2019-20

Dear Sir/Madam

Pursuant to the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report including Director's Report and Auditor's Report thereon of the Company for the Financial Year 2019-20.

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

Thanking You

Yours Sincerely

For Talbros Engineering Limited

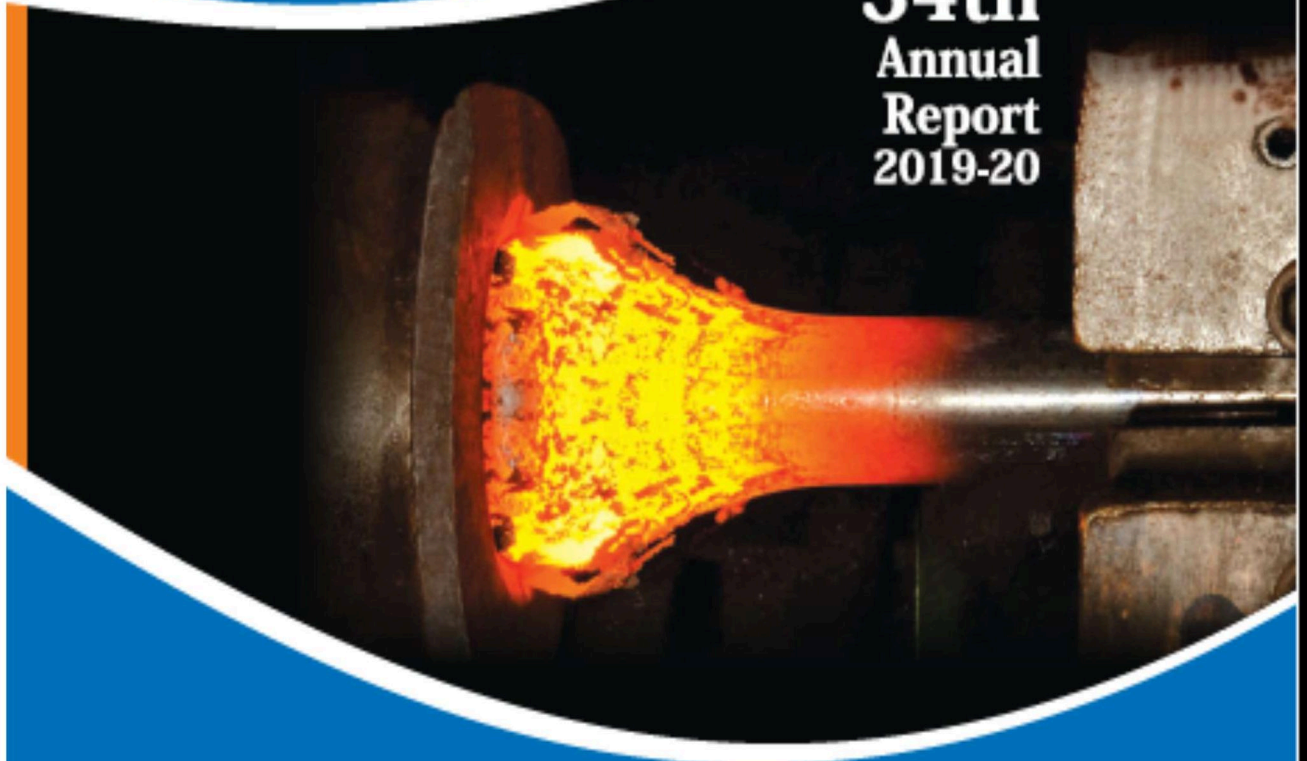
ANKUSH
JINDAL
Digitally signed
by ANKUSH
JINDAL
Date: 2020.08.28
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Ankush Jindal
Company Secretary

Encl.: a/a



34th Annual Report 2019-20



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IAF 10049:2016 No. 02100/0

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34TH ANNUAL REPORT 2019-2020

BOARD OF DIRECTORS

MR. VIJAY KUMAR SHARMA	(Executive Director)
MR. SANJAY SHARMA	(Executive Director)
MR. SUNIL KUMAR	(Independent Director)
MR. PRIYANKA KHATTAR	(Independent Director)
MR. KULDEEP SINGH BHALLA	(Independent Director)
MR. SARABJEET SINGH	(Independent Director)

CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

COMPANY SECRETARY

MR. ANKUSH JINDAL

BANKER

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

AUDITORS

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

REGISTRAR AND TRANSFER AGENT (RTA)

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

REGISTERED AND WORKS OFFICE

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

WORKS

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

STOCK EXCHANGE

BSE LIMITED

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NOTICE OF 34TH ANNUAL GENERAL MEETING

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

Day, Date : Monday, 28th September, 2020
Time : 10:30 a.m.
Through Video Conferencing ("VC")/
Other Audio Visual Means ("OAVM")

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020, the statement of audited Profit & Loss for the year ended 31st March, 2020, Board's Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sanjay Sharma (holding DIN: 06394774), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Mr. Vijay Kumar Sharma (DIN: 06394784), Whole time Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the recommendations of Nomination and Remuneration Committee, provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, subject to such sanctions as may be necessary, the approval and consent of the members be and is hereby accorded to re-appoint Mr. Vijay Kumar Sharma (DIN: 06394784) as Whole time Director, designated as Executive Director of the Company for a period of 5 years with effect from 01st October, 2020, whose period of office

shall be liable to retire by rotation. The aggregate consolidation monthly remuneration (with an annual increment upto 20%) to be paid to Mr. Vijay Kumar Sharma shall be Rs. 1,00,000/- (Rupees One Lakh Only).

Besides above remuneration, Expenses incurred for travelling, boarding and lodging for company's business shall be reimbursed and not considered as perquisites.

RESOLVED FURTHER THAT in the absence of profit or inadequacy of profit in any financial year during his tenure, the remuneration as set out above be paid to Mr. Vijay Kumar Sharma (DIN: 06394784) as minimum remuneration, subject to necessary approval(s), as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorised to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Vijay Kumar Sharma (DIN: 06394784), Whole time Director, including the components of the remuneration payable to him subject to overall limit as approved by the members.

4. Re-appointment of Mr. Kuldeep Singh Bhalla (holding DIN: 07504884) as an Independent Director of the Company. In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the recommendations of Nomination and Remuneration Committee, provisions of section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and

Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kuldeep Singh Bhalla (DIN:07504884), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2021, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) of Listing Regulations and who is eligible for re-appointment, be and is hereby re-appointed to hold office for second consecutive term of 5 (Five) years from April 1, 2021 to March 31, 2026, and whose office shall not be liable to retire by rotation.”

5. To confirm the appointment of Mr. Sarabjeet Singh (holding DIN: 08601346) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the recommendations of Nomination and Remuneration Committee, provisions of section 149, 150, 152 read with schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16, 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sarabjeet Singh (DIN: 08601346), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold the office for 5 (five) consecutive years for a term up to March 31, 2026.”

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

Sd/-

(Ankush Jindal)

Company Secretary

M. No. A26017

Place : Faridabad

Date : 06th August, 2020

NOTES:

1. In view of the continuing COVID-19 Pandemic, The Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 permitted the holding of Annual General Meeting (AGM) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose

- of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.talbrosexles.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 7. The AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
 8. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the person seeking re-appointment as Director under Item No. 2 to 5 of the Notice is also annexed.
 9. Institutional investors, who are members of the Company are encouraged to attend and vote at the 34th Annual General Meeting through VC/OAVM facility. Corporate members intending to appoint their authorized representative pursuant to sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM or to vote through remote e-voting are requested to send a certified copy of Board resolution to the scrutinizer by email at csanujgupta@gmail.com.
 10. As per the provisions of Clause 3.A.III. of General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
 11. Pursuant to the provisions of Section 72 of Companies Act, 2013, Shareholders holding shares in physical mode are requested to file a Nomination Form in respect of their shareholdings. Any shareholder wishing to avail this facility may submit the form to the Company's Registrar and Share Transfer Agent, Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi – 110062, in the prescribed statutory form SH-13.
 12. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is given below.
 13. Brief resume of Directors proposed to be appointed / re-appointed along with such other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and secretarial standards on General Meetings, are provided as Annexure to this Notice.
 14. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for annual closing for year 2020.
 15. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
 16. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate 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 dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, M/s Beetal Financial and Computer Services Private Limited at beetalrta@gmail.com for assistance in this regard.

17. Pursuant to the provisions of section 124 of the Companies Act, 2013, any amount remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by Central Government. No such amount is pending overdue for transfer to IEPF by the company.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and bank details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank details to the Company / Registrar.
19. Non-Resident Members are requested to inform the company/ Registrar immediately the particulars of their bank account maintained with complete name, branch, account type, account number and address of the bank with pin code.
20. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
21. Electronic copy of the Annual report for financial year 2019-20 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
22. Members may also note that the Notice of 34th Annual General Meeting and the Annual Report for 2020 will also be available on the Company's website www.talbrosexles.com for their download. For any communication, the shareholders may also send requests to the Company's investor email id: cs@talbrosexles.com.
23. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

24. Voting through electronic means

- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means or remote e-voting during the AGM through **Central Depository Services (India) Limited (CDSL)**.
- b. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-voting facility. The remote e-voting module during the AGM shall be disabled for voting 15 minutes after the conclusion of the Meeting.

Procedures and Instructions for E-Voting are as follows:

- i) The e-voting period begins on Friday, 25th September, 2020 from 09:00 a.m. onwards and ends on Sunday, 27th September, 2020 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 21st September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Members who have already e-voted prior to the AGM shall not be entitled to e-vote at the AGM.
- iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iv) Click on "Shareholders" Module.
- v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- vi) Next enter the Image Verification as displayed and Click on Login.
- vii) Members holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that

company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant "TALBROS ENGINEERING LIMITED".
- xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix) **Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Stores. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. **For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 **Company/RTA email id**.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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 by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders for e-voting during 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 shareholders, who are 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 available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders 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.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to

- link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@talbrosaxles.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
5. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
 6. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
 25. The Board of Directors has appointed Mr. Anuj Gupta, proprietor of M/s Anuj Gupta & Associates, Practicing Company Secretary as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 26. The scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the General Meeting unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, forthwith to the Company Secretary of the Company.
 27. The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.talbrosaxles.com within three (3) days of passing of the resolutions at the AGM of the company and communicated to the Stock Exchange.
 28. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the company or either with the Depository. However, the shareholders whose e-mail ids are not registered with the company or either with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the company. The shareholders whose e-mail id's are not registered with the company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.
 29. Members holding shares in physical form may avail nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
 30. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Beetal (Registrar), for consolidation into single folio.
 31. Members who have not yet encashed their dividend warrants for the year 2012-13 onwards are advised to forward such warrants to Beetal Financial and Computer Services Pvt. Ltd. (RTA) of the company for revalidation.
 32. Members seeking any information on the accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.
 33. Members are requested to:
 - a. Bring their copy of Annual Report and attendance

slip at the venue of the meeting.

- b. Quote their Folio/DP & client ID NO. in all correspondences with the Company/R & T Agent.
 - c. Note that shareholders present in person or through registered proxy shall only be entertained.
34. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and the circular issued by MCA, no gifts/coupons shall be distributed at the Meeting.

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

Item No. 3

Mr. Vijay Kumar Sharma, aged 58 years has been appointed as an Executive Director of the Company w.e.f. 01st October, 2015 for a tenure of 5 (Five) years. Mr. Vijay is a Diploma Holder in Mechanical Engineering and holds a rich and vast experience of approx. 30 years in the field of production and general administration. Prior to the appointment as an Executive Director, he was working as a senior manager production with our company.

The tenure of appointment of Mr. Vijay will expire on 30th September, 2020 and keeping in view his knowledge of various aspects relating to the company's affairs and vast experience, the Board of Directors considered that for the smooth and efficient running of the business, the services of Mr. Vijay should be available to the Company for a further period of five years w.e.f. 01st October, 2020.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Vijay as Whole time Director designated as Executive Director of the Company, in terms of the applicable provisions of the Act as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The Whole time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and direction given by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given and made by the Board and functions of the Whole time Director will be under the overall authority of COO. The Whole time Director shall act in accordance

with the Articles of Association of the Company and shall abide by the provisions as contained in section 166 of the Companies Act, 2013 with regard to the duties of Directors.

Mr. Vijay Kumar Sharma satisfies all the conditions as set out in Part I of Schedule V and conditions as set out in sub section (3) of Section 196 of the Act, being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vijay under section 190 of the Act.

None of the Directors/ Key Managerial Personnel of the Company except Mr. Vijay Kumar Sharma is concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the special resolution set out in Item No. 3 of the Notice for approval by the members.

Item No. 4

The members of the Company, at an Annual General Meeting held on 30th September, 2016 has approved the appointment of Mr. Kuldeep Singh Bhalla as an Independent Director of the Company for a tenure of 5 (Five) consecutive years ending on 31st March, 2021.

Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall hold the office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Kuldeep Singh Bhalla, it is proposed to re-appoint him for the second term as an independent director on the Board of the Company for a period of five years upto 31st March, 2026.

The Board considers that his continued association with the Company would be of immense benefit and it is desirable to continue to avail services of Mr. Kuldeep Singh Bhalla as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as Special Resolution.

Mr. Kuldeep Singh do not hold more than 2% shares in the Company. Except Mr. Kuldeep Singh Bhalla, being

an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 4.

Item No. 5

The Board of Directors has appointed Mr. Sarabjeet Singh as an Additional Independent Director w.e.f. 15th November, 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013.

In terms of section 161(1) of the Act, Mr. Sarabjeet Singh would hold the office up to the date of ensuing Annual General Meeting.

The Company has received a notice from member under section 160 of the Act proposing the candidature of Mr. Sarabjeet Singh for the office of Director of the Company.

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

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

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

In the opinion of the Board, Mr. Sarabjeet Singh fulfills the conditions of appointment as an Independent Director as specified in the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Singh is a commerce graduate with a varied experience of 25 years in the field of business management, operational activities, financial planning and taxation. He has a good knowledge of taxation, accountancy and management. He does not hold Directorship of any other company. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Sarabjeet Singh is appointed as an independent director.

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

Save and except above, being an appointee, none of the directors and Key Managerial Personnel and their relatives is concerned or interested, financial or otherwise, in the resolution as set out in Item No. 5.

The Board commends the Ordinary Resolution set out in Item No. 5 of the Notice for approval by the shareholders.

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

Sd/-
(Ankush Jindal)
Company Secretary
M. No. A26017

Place : Faridabad
Date : 06th August, 2020

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

S. No.	Particulars	Description			
1	Name of Director	Mr. Sanjay Sharma (DIN: 06394774)	Mr. Vijay Kumar Sharma (DIN: 06394784)	Mr. Kuldeep Singh Bhalla (DIN:07504884)	Mr. Sarabjeet Singh (DIN: 08601346)
2	Nature of Appointment	Director retires by rotation and being eligible, seeks re-appointment	Re-appointment as Executive Director of the Company	Re-appointment as Independent Director of the Company	Confirmation as Independent Director of the Company
3	Reference of Resolution Number in Notice	2	3	4	5
4	Father's Name	Mr. Sudershan Kumar Sharma	Mr. Mangatram Sharma	Mr. Dalip Singh Bhalla	Mr. TS Vij
5	Relationship with other Directors	NIL	NIL	NIL	NIL
6	Date of Birth	04/01/1968	15/07/1962	29/08/1963	09/06/1967
7	Brief Resume of Directors	Executive Director of the Company	Executive Director of the Company	Independent Director of the Company	Independent Director of the Company
8	Qualifications	Post Graduate Diploma in Mechanical Engineering	Diploma in Mechanical Engineering	Bachelor in Legislative Laws	Graduated in commerce
9	Expertise	Management and Operations	Management and Operations	Finance, Corporate Law and other applicable laws	Financial planning, Operational activities
10	Date of last appointment	30.09.2019 (as an Executive Director)	01.10.2015	30.09.2016	15.11.2019 (as an Additional Director)
11	List of outside Directorships Held (Public Limited Co.)	NIL	NIL	NIL	NIL
12	Member of the Committees in other Companies in India	NIL	NIL	NIL	NIL
13	Shareholding in the Company (No. of shares)	NIL	NIL	100	774
14	Number of Meetings of the Board attended	Please refer Corporate Governance Report	Please refer Corporate Governance Report	Please refer Corporate Governance Report	Please refer Corporate Governance Report
15	Details of remuneration last drawn	Please refer Corporate Governance Report	Please refer Corporate Governance Report	Please refer Corporate Governance Report	Please refer Corporate Governance Report

Notes

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 34th Annual Report on the business and operations of the Company alongwith the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31st March 2020.

FINANCIAL RESULTS:**(₹ in Lacs)**

Particulars	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Revenue from Operations		
- Sale of Products	20,732	25,797
- Other Operating revenues	891	1,128
Total Revenue from Operations	21,623	26,925
Other Income	112	146
Total Income	21,735	27,071
Profit before Interest, Depreciation & Tax	2,008	2,540
Less: Interest	720	682
Depreciation	783	652
Exceptional Items	NIL	77
Profit Before Tax and After Exceptional Items	505	1,129
Less: Previous Year adjustments	(26)	19
Provision for current year income-tax	77	290
Provision for Deferred Tax	52	100
Net Profit after tax	402	720
Net profit after tax and adjustments	402	720
Other Comprehensive Income		
- Items that will not be classified to profit or loss	(15)	11
- Items that will classified to profit or loss	(3)	NIL
Total Income	384	731
EPS (Basic)	7.57	14.41
EPS (Diluted)	7.57	14.41

REVIEW OF OPERATIONS:

The Company has achieved net revenue from operations of ₹ 21,623 Lakhs in this financial year ended on 31st March, 2020 as against 26,925 Lakhs for the previous financial year. The net profit after tax for this year is ₹ 402 Lakhs as compared to ₹ 720 Lakhs for the previous financial year.

Reserves & Surplus as on 31st March, 2020 stand at ₹ 5,554 Lakhs as against the paid-up capital of ₹ 508 Lakhs.

DIVIDEND:

Your Directors do not recommend any for the financial year 2019-20.

TRANSFER TO GENERAL RESERVE:

Your Directors do not propose transfer to the general

reserves and it is proposed to be retained in the profit and loss account.

SHARE CAPITAL

The Paid up Equity Share Capital of the Company as on 31st March, 2020 was ₹ 507.65 Lakhs comprising of 50,76,504 Equity Shares of ₹ 10/- each. There is no change in Authorised, Subscribed, Issued and paid up capital of the Company during the year under review.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 1,23,307/- pertaining to unclaimed and unpaid dividend for the financial year 2011-12. Further, 12,671 corresponding shares were transferred as per the requirements of IEPF Rules. The details are provided on our website www.talbrosexles.com.

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

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

LISTING FEES

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Harshit Bansal & Associates, Chartered Accountants as Internal Auditors of the Company for financial year 2019-20. To maintain the objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board and to the President/COO.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the company,

accounting procedures and policies. Based on the internal audit report, the Company undertake corrective action in their respective areas and thereby strengthen the control.

MARKETING AND EXPORT:

The export sales of the Company during the financial year 2019-20 stands at ₹ 4,364 Lakhs as against ₹ 5,207 Lakhs in the previous fiscal.

BORROWINGS:

The Company's consolidated borrowings as on March 31, 2020 was ₹ 8,567 Lakhs as against ₹ 10,501 Lakhs as at March 31, 2019.

RATING:

Your Company has been assigned a rating of BBB+ (Stable outlook) for Long Term Bank Facilities (Term Loans) of ₹ 11.72 Crores and rating of BBB+/A2 for Short Term Bank Facilities (Fund Based Limits) availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

SUBSIDIARIES:

The Company is not having any subsidiary company.

DIRECTORS:

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

During the year, Mr. Sarabjeet Singh has been appointed as an Additional Independent Non Executive Director w.e.f. 15th November, 2019 pursuant to the provisions of section 161 of the Companies Act, 2013, who shall hold the office of Director upto the Ensuing General Meeting. However, the Nomination and Remuneration Committee has recommended for confirmation of his appointment in ensuing General Meeting. A resolution seeking shareholder's approval for his appointment forms part of the Notice.

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

The first consecutive term of Mr. Kuldeep Singh Bhalla as an Independent Director will expire on 31st March, 2021. The Board of Directors, based on the performance evaluation and as per the recommendation of Nomination and Remuneration Committee has recommended his re-appointment for second consecutive term of 5 (Five) years commencing from 01st April, 2021. A resolution seeking shareholder's approval for his appointment forms part of the Notice.

The tenure of Mr. Vijay Kumar Sharma as an Executive Director of the Company will expire on 30th September, 2020. The Board of Directors, based on his overall performance and as per recommendations of Nomination and Remuneration Committee, recommended his re-appointment as an Executive Director for a further period of 5(Five) Years commencing from 01st October, 2020. A resolution seeking shareholder's approval for his appointment forms part of the Notice.

Pursuant to section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company during the year are Mr. Vijay Kumar Sharma, Executive Director, Mr. Sanjay Sharma, Executive Director, Mr. Kanwar Pal Pawar, Chief Financial Officer and Mr. Ankush Jindal, Company Secretary.

COMPOSITION OF COMMITTEES

The Composition of all Committees formed by the Board is provided in Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company as required under Schedule IV of the Companies Act, 2013 and Listing Regulations has made arrangements to facilitate the Independent Directors to familiarize with the operations of the Company, their roles, rights, responsibilities as Directors of the Company considering the nature of the Industry in which the Company operates, business model of the Company, etc. The above aspect can be accessed on website www.talbrosexles.com. During the year 2019-20, Mr. Sarabjeet Singh has been appointed as an Independent Director of the Company w.e.f. 15th November, 2019 for a first consecutive term of 5 (Five) years, subject to the approval of shareholders.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

The directors confirm that:

- (i) In preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to

give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

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

NUMBER OF MEETINGS OF THE BOARD:

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

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, and as per Guidance Notice issued by SEBI, the Board has carried out annual performance evaluation for Financial Year 2019-20.

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

The Board subsequently evaluated its own performance,

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

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

REGISTERED OFFICE

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

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION:

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

CODE OF CONDUCT:

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

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

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

AUDIT COMMITTEE:

The Audit Committee consists of 3 (Three) Directors with Independent Director as chairman. During the year 4 (Four) meetings of the committee were held. The responsibility and duties of Audit Committee have been detailed in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee consists of 3 (three) Non Executive Directors. During the year 2 (Two) meetings have been held. The key areas of Committee have been detailed in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not given any loan or guarantees covered

under the provisions of section 186 of Companies Act, 2013. The detail of investments made by the Company is given in the notes to the financial statements.

CHANGE IN THE NATURE OF BUSINESS:

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

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

There has been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report except the impact arising out of COVID-10 pandemic situation.

The World Health Organisation (WHO) has declared COVID-19 outbreak as a pandemic on 11th March, 2020. Consequently, the Indian Government has taken several measures including imposing of multiple lockdowns w.e.f. 22nd March, 2020 which was extended in a phased manner till May 31, 2020. All businesses and services except essential services have been closed during the period of lockdown. However, in order to mitigate the economic and social hardship, the lockdown has been partially lifted in the month of May and June, 2020.

The Company has partially resumed its operations with minimum staff considering the safety precautions and after taking permissions from prescribed authorities.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

RELATED PARTY TRANSACTIONS:

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

STATUTORY AUDITORS:

M/s DSRV and Co. LLP, Chartered Accountants (Firm registration number 006993N) was appointed as Statutory Auditors of the Company to hold the office from the conclusion of 31st Annual General Meeting held on 28th September, 2017, till the conclusion of 36th Annual General Meeting to be held in year 2022, subject to the ratification by shareholders at every Annual General Meeting or as may be necessitated by the Act from time to time. The Ministry of Corporate Affairs vide their notification dated 7th May, 2018 has dispensed the requirement of ratification of Statutory Auditors and each Annual General Meeting.

The Statutory Auditors Report for Financial Year 2019-20 on the financial statement of the Company forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report on the financial statements for the year ended on 31st March, 2020. The observations of the Statutory Auditors are self-explanatory and therefore Directors don't have any further comments on the same.

SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:

The Company has appointed M/s Anuj Gupta & Associates, Company Secretaries to hold the office of Secretarial Auditors and to conduct the Secretarial Audit pursuant to section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended on 31st March, 2020 is being attached with the

Director's Report as Annexure – B which is self explanatory and needs no comments.

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

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complied with all applicable Secretarial Standards.

COST AUDITOR'S AND THEIR REPORT:

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

INSURANCE AND RISK MANAGEMENT:

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

PREVENTION OF INSIDER TRADING:

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

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

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

DEPOSITS:

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

CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditor's Certificate dated 06th August, 2020 in accordance with SEBI (Listing

Regulations), 2015 and report on Corporate Governance is annexed to and forming part of the Director's Report.

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

CORPORATE SOCIAL RESPONSIBILITY:

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

The Board provided a brief outline of the Company's CSR Policy including the statement of intent reflecting the ethos of the Company, broad areas of CSR interest and an overview of activities proposed to be undertaken. The CSR policy has been hosted on the website of the Company.

Further, the Company has also contributed to certain NGOs namely Savera Association engaged in promotion of health in rural areas where people lack the right guidance for regular health check-ups & proper treatment. The company has contributed towards medicines in their clinics and running costs of their mobile health clinics and Lily Foundation engaged in prevention of human trafficking in India.

The Company has also contributed to NGO namely People for animals trust and Gow Raksha Sadan to provide better care to the animals and providing shelter to them and HMP Gramya Vikas and Kalyan Foundation who are indulged in providing regular health check up camps in slum and rural areas. Further, the company has paid school fees and amount for books for under privileged students and contributed water coolers to schools for providing safe drinking water to students. The Company has also initiated for providing school uniforms, furniture and better equipments to schools.

The present Composition of the CSR committee is:

1. Mr. Vijay Kumar Sharma, Executive Director
2. Mr. Kuldeep Singh Bhalla, Independent Director
3. Mr. Sunil Kumar, Independent Director

The average net profit of the company for last three (3) financial years is ₹ 11.47 Crores (approx). The threshold limit (2%) and total proposed spending on CSR for the financial year 2019-20 is ₹ 22.94 Lacs (approx).

The total amount spent by the Company in year 2019-20 is ₹ 14.87 Lakhs (Approx.). Due to COVID-19 pandemic scenario, the Company has been left with an unspent amount of ₹ 8.05 Lakhs (Approx.)

The details of CSR activities / projects undertaken during the financial year under review are as follows:

S. No.	CSR Project/activity identified	Sector in which the project is covered	Projects/ Programs Local area/others	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the project/ Program (₹ In Lakhs)	Cumulative expenditure upto the date of reporting period (₹ in Lakhs)	Amount Spent: Direct or through implementing agency (₹ in Lakhs)
1	Promoting Education	Education	New Delhi Andhra Pradesh Uttar Pradesh Faridabad	4.00 0.50 2.00	2.20 0.42 1.60	2.20 0.42 1.60	2.20 0.42 1.60
2	Eradicating Hunger	Eradicating Hunger	Uttarakhand	2.50	-	-	-
3	Promoting Education and Health Care	Education & Healthcare	New Delhi	2.00	1.00	1.00	1.00
4	Orphanage/ Old Age Homes	Orphanage/ Old Age Homes	Haryana Faridabad	1.00 2.00	1.00 1.00	1.00 1.00	1.00 1.00
5	Promoting Health Care	Health Care	Gujarat New Delhi	3.00 2.00	3.00 1.67	3.00 1.67	3.00 1.67
6	Animal Welfare	Animal Welfare	Faridabad	4.00	3.00	3.00	3.00
				23.00	14.89	14.89	14.89

* Details of Implementing Agency: Lily Foundation, Servants of the People Society, Savera Association, Param Shakti Peeth, RBTH Singh Memorial Charitable Hospital Society, HMP Gramya Vikas and Kalyan Foundation, Fuel a Dream, People for Animals Trust, Gow Raksha Sadan, Saint Hardayal and Orphans Welfare Society, Chetna Welfare Society, Parashar Foundation and Chhatravas Chandra Arya Vidya Mandir.

The CSR Committee of the Company confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

The particulars prescribed under section 134(3)(m) of

Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014, are enclosed as **Annexure – A** to the Board's Report.

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

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

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

(Amount in ₹ Lacs)

Name of the Director	Designation	Remuneration paid	Ratio to median remuneration
Mr. Sanjay Sharma	Executive Director	12.14	6.12
Mr. Vijay Kumar Sharma	Executive Director	12.52	6.32
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	Only Sitting fees paid
Mr. Sunil Kumar	Independent Director	0.05	Only sitting fees paid
Ms. Priyanka Khattar	Independent Director	0.05	Only sitting fees paid

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

Name of the Director/KMP	Designation	Remuneration for the year ended 2019-20	Remuneration for the year ended 2018-19*	% change during the year
Mr. Sanjay Sharma*	Executive Director	12.14	4.86	149.79
Mr. Vijay Kumar Sharma	Executive Director	12.52	11.60	7.93
Mr. Sunil Kumar	Independent Director	0.05	0.05	0.00
Ms. Priyanka Khattar	Independent Director	0.05	0.05	0.00
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	0.05	0.00
Mr. Ankush Jindal	Company Secretary	7.83	7.07	10.75
Mr. Kanwar Pal Pawar	CFO	4.22	3.92	7.65

* Mr. Sanjay Sharma has resigned from the post of Executive Director w.e.f. 14th November, 2017. Further, he has re-joined the Company w.e.f. 01st November, 2018.

- (c) The median remuneration of the employees has increased by 21.40 % in 2019-20 as compared to 2018-19.
- (d) The annual average increase in the salaries of employees other than managerial personnel during the last financial year was around 8%. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contributions to the Company's progress over a period of time and also industry trend.
- (e) Number of permanent employees on the rolls of the Company.

Financial Year	No. of Employees
2018-19	241
2019-20	221

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

CORPORATE GOVERNANCE CERTIFICATE:

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

EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2019-20 being attached with the Directors Report as **Annexure-C**

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

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

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

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

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

Place: Faridabad
Date: 06th August, 2020

Form No. AOC-2

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

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

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

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

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

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

ANNEXURE-A**CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of Energy:**

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

- The Company has installed and made operational roof top solar panels in IMT plant.
- Installation of energy efficient LED lights in all plants of the Company.
- Use of best quality wires, cables, switches.
- Replacement of coils in upsetters resulting in cycle time reduction.
- Use of PNG instead of diesel for furnaces.
- Monitoring and correction of power factor.
- Set up of new upgraded machineries have been adopted with inverter drives which consequently will lead to less electricity consumption.
- Installation of solid state machines for Induction hardening which will result in less consumption of power.
- Installation of sky shades which will help in reducing energy consumption during day time.

(B) Technology absorption:

- The robotics in IMT has been made operational to reduce manpower and promote efficient and time saving operations.

- The company has installed upgraded machineries which includes CNCs, VMCs, CNC grinder, Induction Hardening in various plants which results in production growth.
- Air Gages have been installed for self inspection at stations.
- Gravity shoots have been installed and consequently manpower has been reduced.
- The company has not incurred any expenditure on Research & Development activities during the year under review.

(C) Foreign Exchange Earning and Outgo:

S. No.	Particulars	Amount (In ₹) Lakhs
	<i>Expenditure</i>	
1	Commission on Export Sales	12.46
2	Foreign Travelling	7.82
3	Repair & Maintenance (Plant & Machinery)	4.05
4	CIF Value of Imports (Machinery)	1.40
5	Dividend paid for the FY 2018-19	0.01
	Total	25.74
	<i>Earnings</i>	
1	Value of Exports on FOB Basis	4,304.00
	Total	4,304.00

Annexure – B

SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2020

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

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

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

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

(Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) **OTHER APPLICABLE ACTS,**

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees’ State Insurance Act, 1948, and rules made thereunder,
- (e) The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1956, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,
- (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

I further report that

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

Mr. Sarabjeet Singh, has been appointed as an Additional Independent Non Executive Director of the Company w.e.f. 15th November, 2019.

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

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

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

Sd/-

Anuj Gupta

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

UDIN: A031025B000555111

Place: New Delhi

Date: 06th August, 2020

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

ANNEXURE 1

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

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

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

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

Sd/-

Anuj Gupta

Practising Company Secretary

M. NO. ACS 31025

COP No. 13025

UDIN: A031025B000555111

Place: New Delhi

Date: 06th August, 2020

Annexure - C
FORM NO. MGT-9
EXTRACTS OF ANNUAL RETURN
As on the financial year ended on
31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) INDIAN									
a) Individual / HUF	36,86,855	Nil	36,86,855	72.63	36,94,064	Nil	36,94,064	72.76	0.13
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	36,86,855	Nil	36,86,855	72.63	36,94,064	Nil	36,94,064	72.76	0.13

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) FOREIGN									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other– Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	36,86,855	Nil	36,86,855	72.63	36,94,064	Nil	36,94,064	72.76	0.13
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	586	Nil	586	0.01	586	Nil	586	0.01	Nil
b) Banks / FI	Nil	720	720	0.01	52	720	772	0.02	0.01
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	65,800	Nil	65,800	1.30	40,686	Nil	40,686	0.80	(0.50)
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	66,386	720	67,106	1.32	41,324	720	42,044	0.83	(0.49)
(2) NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	53,964	3,664	57,628	1.13	66,853	3,525	70,378	1.39	0.26
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	5,26,815	1,48,899	6,75,714	13.31	5,51,884	1,28,229	6,80,113	13.40	0.09
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	63,600	Nil	63,600	1.25	63,600	Nil	63,600	1.25	Nil
c) Others:									
i) Trusts	318	Nil	318	0.01	318	Nil	318	0.01	Nil
ii) NRI	4,71,468	620	4,72,088	9.30	4,57,784	620	4,58,404	9.03	(0.27)
iii) HUF	16,509	Nil	16,509	0.33	17,826	Nil	17,826	0.35	0.02
iv) Clearing Member	293	Nil	293	0.00	815	Nil	815	0.02	0.02

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
v) IEPF Authority	36,393	Nil	36,393	0.72	48,942	Nil	48,942	0.96	0.24
Sub-total (B)(2):-	11,69,360	1,53,183	13,22,543	26.05	12,08,022	1,32,374	13,40,396	26.41	0.36
Total Public Shareholding (B)= (B)(1) + (B)(2)	12,35,746	1,53,903	13,89,649	27.37	12,49,346	1,33,094	13,82,440	27.24	(0.13)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total(A+B+C)	49,22,601	1,53,903	50,76,504	100.00	49,43,410	1,33,094	50,76,504	100.00	Nil

(ii) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Kartik Talwar	40,974	0.81	Nil	41,234	0.81	Nil	0.0001
2	Mr. Karan Talwar	1,05,048	2.07	Nil	1,05,048	2.07	Nil	Nil
3	Rakesh Talwar (HUF)	2,72,414	5.37	Nil	2,72,414	5.37	Nil	Nil
4	Mrs. Naini Talwar	2,94,660	5.80	Nil	2,94,660	5.80	Nil	Nil
5	Mr. Rakesh Talwar	5,92,634	11.67	Nil	5,92,634	11.67	Nil	Nil
6	Mrs. Gita Talwar	10,11,754	19.93	Nil	10,11,754	19.93	Nil	Nil
7	Mr. Rajesh Talwar	10,10,498	19.90	Nil	10,10,498	19.90	Nil	Nil
8	Mrs. Shweta Talwar	3,58,873	7.07	Nil	3,65,822	7.20	Nil	0.13
	Total	36,86,855	72.63	Nil	36,94,064	72.76	Nil	0.13

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Rakesh Talwar (HUF)				
	At the beginning of the year	2,72,414	5.37	2,72,414	5.37
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	2,72,414	5.37	2,72,414	5.37
2	Mr. Rakesh Talwar				
	At the beginning of the year	5,92,634	11.67	5,92,634	11.67
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	5,92,634	11.67	5,92,634	11.67
3	Mr. Rajesh Talwar				
	At the beginning of the year	10,10,498	19.90	10,10,498	19.90
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	10,10,498	19.90	10,10,498	19.90
4	Mrs. Gita Talwar				
	At the beginning of the year	10,11,754	19.93	10,11,754	19.93
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	10,11,754	19.93	10,11,754	19.93
5	Mrs. Shweta Talwar				
	At the beginning of the year	3,58,873	7.07	3,58,873	7.07
	- Acquired from open market during the year	6,949	0.13	3,65,822	7.20
	At the end of the year	3,65,822	7.20	3,65,822	7.20
6	Mr. Karan Talwar				
	At the beginning of the year	1,05,048	2.07	1,05,048	2.07
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	1,05,048	2.07	1,05,048	2.07
7	Mr. Kartik Talwar				
	At the beginning of the year	40,974	0.81	40,974	0.81
	- Acquired from open market during the year	260	0.0001	41,234	0.81
	At the end of the year	41,234	0.81	41,234	0.81
8	Mrs. Naini Talwar				
	At the beginning of the year	2,94,660	5.80	2,94,660	5.80
	- Change during the year	Nil	Nil	Nil	Nil
	At the end of the year	2,94,660	5.80	2,94,660	5.80

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

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
1	Mr. Sartaj Kumar Sahni	4,51,004	8.88	4,51,004	8.88
2	Investor Education and Protection Fund	36,393	0.72	48,942	0.96
3	Mahendra Girdharilal	32,100	0.62	32,100	0.62
4	Tushar Kanti Chopra	31,500	0.62	31,500	0.62
5	Vinod Aggarwal	1,000	0.02	13,335	0.26
6	The Property Company Private Limited	20,654	0.41	37,718	0.74
7	United India Insurance Company Limited	15,626	0.31	15,626	0.31
8	The Oriental Insurance Company Limited	14,336	0.28	14,336	0.28
9	Sushil Soni	11,782	0.23	11,782	0.23
10	Kavita Naredi	11,055	0.22	10,932	0.22

(v) Shareholding of Directors and Key Managerial Personnel:

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

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,248	846	Nil	8,094
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	16	Nil	Nil	16
Total (i+ii+iii)	7,264	846	Nil	8,110
Change in Indebtedness during the financial year				
• Addition	Nil	351	Nil	351
• Reduction	(1,572)	Nil	Nil	(1,572)
Net Change	(1,572)	351	Nil	(1,221)
Indebtedness at the end of the financial year				
i) Principal Amount	5,692	1,197	Nil	6,889
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	36	Nil	Nil	36
Total (i+ii+iii)	5,728	1,197	Nil	6,925

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Sanjay Sharma – ED	Mr. Vijay Kumar Sharma - ED	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.14	12.52	24.66
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- As % of profit	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil
5.	Others:			
	(i) Medical Reimbursement	0.31	0.32	0.63
	(ii) Leave Travel Allowance	0.31	0.32	0.63
	Total (A)	12.76	13.16	25.92
	Ceiling as per the Act			37.85

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sunil Kumar	Ms. Priyanka Khattar	Mr. Kuldeep Singh Bhalla	
1.	Independent Directors				
	• Fees for attending board/ committee meetings	5,000	5,000	5,000	15,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	
	Total (1)	5,000	5,000	5,000	15,000
2.	Other Non-Executive Directors				
	• Fees for attending board/ committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B) = (1+2)	5,000	5,000	5,000	15,000
	Total Managerial Remuneration				15,000
	Overall Ceiling as per the Act				3.79 Lakhs

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.83	4.22	12.05
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- As % of profit	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil
5.	Others:(i) Leave Travel Allowance	0.21	0.06	0.27
	Total	8.04	4.28	12.32

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place : Faridabad
Date : 06th August, 2020

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31st March, 2020

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Talbros Engineering is engaged in manufacturing of Rear Axle Shafts for the leading automobile companies in India and foreign markets. The Company's goal is to be a leader in supply of automotive rear axle shafts in the Indian & Overseas market to benefit from the growth and to profit from the opportunities that exist in this sector. In Financial year 2020-21, the Company expects to continue this growth with continued focus on exports.

(B) OPPORTUNITIES AND THREATS

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

Besides opportunities, the Company is also facing some threats which includes shifts in the tastes of customers from SUV segment cars to small eco friendly cars due to continuous increase in fuel prices and heavy traffic on roads. The competition is also rising day by day but installation of excess capacity can lead to risk of price war.

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

(D) OUTLOOK

The Company does not foresee any major threats to its growth and market share in the coming years. The infrastructure need of the company is also completed by catering a new area for production. The company

does not foresee any technological obsolescence for its products.

(E) RISKS AND CONCERNS

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

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

Your Company has achieved a sales turnover of ₹ 21,623 Lakhs in this financial year ended on 31st March, 2020 as against ₹ 26,925 Lakhs in the previous financial year. Net profit after tax for this year stands at ₹ 384 Lakhs as against ₹ 731 Lakhs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31st March, 2020 is ₹ 4,364 Lakhs as compared to ₹ 5,207 Lakhs in the previous financial year.

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

As on March 31, 2020, the Company had 221 number of permanent employees at its manufacturing plants and administrative office located at Faridabad and Hathin.

The company considers the employee values and ensures proper encouragement both morally and financially to motivate them. The relationship between the management and employees is remarkable.

Regular trainings and workshops have been conducted to motivate the employees for better understanding of upgraded technologies.

(I) KEY FINANCIAL RATIOS

S. No.	Ratios	31 st March, 2020	31 st March, 2019	Change in %
1	Debtors Turnover	5.83	7.50	(1.67)
2	Inventory Turnover	5.08	6.08	(1.00)
3	Interest Coverage Ratio	2.79	3.73	(0.94)
4	Current Ratio	1.95	1.89	(0.06)
5	Debt Equity Ratio	0.62	0.71	(0.09)
6	Operating Profit Margin (%)	9.29%	9.43%	(0.14)
7	Net Profit Margin (%)	2.33%	4.48%	(2.15%)

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

(J) RETURN ON NET WORTH

The return on net worth for the current year ended on March 31, 2020 is 6.50% as compared to 14.86% during the fiscal year ended on March 31, 2019.

For and on behalf of the Board

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

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

Place: Faridabad
Date : 06th August, 2020

CORPORATE GOVERNANCE

1. PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their directorship as on March 31, 2020

The Board of Directors of the Company is duly consisted comprising of Two Executive Directors and Four Non Executive Independent Directors as on 31st March, 2020. Mr. Sarabjeet Singh has been appointed as an Additional Non Executive Independent Director of the Company w.e.f. 15th November, 2019.

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

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

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

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors					Attendance in Last AGM (30.09.2019)
		20.05.2019	05.08.2019	22.08.2019	12.11.2019	07.02.2020	
1	Mr. Sanjay Sharma	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr. Vijay Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Sunil Kumar	Yes	Yes	No	Yes	Yes	Yes
4	Ms. Priyanka Khattar	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr. Kuldeep Singh Bhalla	Yes	Yes	Yes	Yes	Yes	Yes
6	Mr. Sarabjeet Singh	NA	NA	NA	NA	Yes	NA

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

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

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

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

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

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

Certificate from Practicing Company Secretary

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

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Vigil Mechanism / Whistle Blower Policy. The Policy encourages whistle blowing against unethical or improper activity and an avenue to raise concerns and to access in good faith, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices, actual or suspected, fraud or violation of the Company's code of

conduct or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

Independent Directors

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

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

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

The Company appointed Mr. Sarabjeet Singh as an Independent Director of the Company w.e.f. 15th November, 2019 for a tenure of Five (5) Years, subject to approval of shareholders in ensuing General Meeting.

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

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

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

1. Knowledge of the company's affairs, business, policies, mission, vision, goals,

strategic plans, risks, threats, opportunities and knowledge of the industry in which company operates.

2. Strategic planning, thinking and decision making
3. Risk and Compliance Oversight
4. Attributes and competencies to use their knowledge and skills to interact with key stakeholders.
5. Marketing, policy development
6. Financial literacy and skills, legal and governance
7. Technical/professional skills and specialised knowledge to assist the ongoing aspects of the business.
8. Mentoring abilities
9. Integrity and ethical standards

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

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

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

Determining qualification, attributes and independence of a Director:

- (i) A Director will be considered as an Independent Director, if he/she meets the criteria for Independent Director as laid down in the Companies Act, 2013 and SEBI (LODR) Regulations.
- (ii) Independent Directors should be well versed with their respective functions in order to contribute to the Board.
- (iii) Independent Directors are expected to be abide by the 'Code for Independent Directors' as outlined in the Act.

Evaluation of Individual Directors, the Board and its Committees

Pursuant to the provisions of the Companies Act, 2013, SEBI (LODR) Regulations and Guidance Note on Board evaluation issued by SEBI, the Board has carried out the performance evaluation for the financial year 2019-20 of its own

performance, the Directors individually as well as the evaluation of the working of Committees namely:

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

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

Role & Accountability

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

Objectivity

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

Leadership and Initiative

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

Personal Attributes

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

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

Evaluation of Board:

The areas for evaluation as per the guidance note

issued on Board evaluation includes:

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

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

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

Board Diversity:

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

3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:

(A) AUDIT COMMITTEE:

(a) Terms of Reference:

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

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:

- a. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications / Modified opinions(s) in the draft audit report
- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - viii) Approval of any subsequent modification of transactions of the company with related parties;
 - ix) Scrutiny of inter-corporate loans and investments;
 - x) Valuation of undertakings or assets of the company, wherever it is necessary;
 - xi) Evaluation of internal financial controls and risk management systems;
 - xii) Reviewing, with the management, performance of statutory and internal

auditors, adequacy of the internal control systems;

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

The Audit Committee shall mandatorily review the following information:

- (i) Management Discussion and Analysis of

financial condition and results of operations;

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

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

The Audit Committee consists of three Independent Directors Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla and Ms. Priyanka Khattar as on 31st March, 2020. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 4 (Four) times during the year ended 31st March, 2020. The attendance record of the members at the meeting were as follows:

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members			
			20.05.2019	05.08.2019	12.11.2019	07.02.2020
1	Mr. Kuldeep Singh Bhalla	Chairman	Yes	Yes	Yes	Yes
2	Ms. Priyanka Khattar	Member	Yes	Yes	Yes	Yes
3	Mr. Sunil Kumar	Member	Yes	Yes	Yes	Yes

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

The Audit Committee meetings are attended by the Chief Operating officer, President, Vice Chairman, Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditors of the Company. The Company Secretary of the Company acts as Secretary of the Audit Committee. The Chairman of the Audit Committee has marked his presence in the Annual General Meeting held on 30th September, 2019.

(B) NOMINATION AND REMUNERATION COMMITTEE:

(a) Terms of Reference:

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- (ii) Recommend to the Board the setup and composition of the Board and its committees.
- (iii) Periodically reviewing the composition of the Board with an objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- (iv) Formulation of criteria for evaluation of independent Directors and the Board;
- (v) Devising a policy on Board diversity;
- (vi) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- (vii) Recommend to the Board regarding appointment of Key Managerial Personnel (KMP) and executive team members of the Company.
- (viii) Support the Board and Independent

Directors in evaluation of the performance of the Board, its committees and individual Directors.

- (ix) Oversee the performance review process of the KMP and executive team of the Company.
- (x) Recommend to the Board the remuneration policy for Directors/ Senior Management/ executive team/KMP.
- (xi) Recommend to the Board all remuneration in whatever form payable to the Directors, KMP and Senior Management of the Company.
- (xii) To look after the term of appointments of Independent Directors and their re-appointments thereof.
- (xiii) Oversee familiarization programmes for Directors.
- (xiv) Performing such other duties and responsibilities as may be consistent with the provisions of the Act and Listing Regulations.

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

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

2 (Two) meetings of Nomination and Remuneration Committee were held on 05th August, 2019 and 12th November, 2019 and all the members were present during the meeting. The present constitution of Committee is as follows:

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

(c) Remuneration Policy:

The Nomination and Remuneration Committee has formulated a policy which deals with the manner of selection of Board of Directors including Executive Directors, Non Executive Directors, Independent Directors, KMPs and

payment of their remuneration. The criteria of selection and remuneration to be paid are as follows:

Non Executive and Independent Director

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

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

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

Managing Director / Whole Time Director

In case for the appointment as a Managing Director / Whole Time Director, the Nomination and Remuneration Committee shall identify the person of integrity who possess rich expertise, experience, knowledge, qualification and leadership qualities required for the position and shall take into consideration, the recommendations, if any, received from the members of the Board. The candidate identified shall be recommended to the Board of Directors and is eligible for appointment only after the

approval of members of the Company in general Meeting. The committee shall also ensure that the candidate identified shall fulfil all the conditions and criteria as envisaged in the relevant clauses and schedules of Companies Act, 2013 and rules made there under.

Remuneration to Directors

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

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

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

(d) Details of Remuneration paid during the year 31st March, 2020:

S. No.	Name of the Director	Designation	Remuneration Paid (Amount in ₹ Lakhs)
1	Mr. Sanjay Sharma	Executive Director	12.14
2	Mr. Vijay Kumar Sharma	Executive Director	12.52

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

None of the independent Directors of the Company is in receipt of any kind of remuneration / commission other than sitting fees as mentioned

above. None of the Directors along with their relatives holds more than 2 percent shares of the Company.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

Attendance of Members:

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

Terms of Reference:

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

- (i) Review statutory compliance relating to all security holders.
- (ii) Consider and resolve the grievances of security holders of the Company including

complaints related to transfer / transmission of shares, non receipt of annual report/ declared dividends/notices/balance sheet, issue of new/duplicate share certificates, general meetings etc.

- (iii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iv) Review of adherence to the service standards adopted by the listed entity in various services being rendered by the Registrar and Share Transfer Agent.
- (v) Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports/statutory notices by the shareholders of the Company.
- (vi) Review movements in shareholding and ownership structures of the Company.

During the year ended 31st March, 2020, the Stakeholders Relationship Committee met 4 times.

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

The details of Shareholders complaints received so far, resolved and pending during the Financial Year 2019-20 are as follows:

Received	Resolved	Pending
10	10	Nil

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

officer of the Company.

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

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

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

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE
(a) Composition of Corporate Social Responsibility Committee, Meetings held during the year and Attendance of Members:

The Corporate Social Responsibility (CSR)

Committee has been constituted pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The present composition of Committee is One Executive Director and Two Non Executive and Independent Directors. The Committee met 2 times during the financial year ended 31st March, 2020

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			20.05.2019	07.02.2020
1	Mr. Vijay Kumar Sharma	Chairman	Yes	Yes
2	Mr. Sunil Kumar	Member	Yes	Yes
3	Mr. Kuldeep Singh Bhalla	Member	Yes	Yes

(b) Terms of Reference:

The Committee is responsible for the following purposes:

- formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in the Companies Act, 2013, its rules and regulations thereof for the time being in force;
- recommendation on the amount of expenditure to be incurred on the various CSR activities;
- monitoring of the CSR Policy of the company from time to time;
- to oversee activities impacting the CSR projects;
- such other acts and deeds in relation to CSR activities of the company, as it may deem fit or as may be assigned to it by the Board of Directors.

(4) INDEPENDENT DIRECTORS MEETING:

During the year ended 31st March, 2020, the Independent Directors met on 07th February, 2020, inter alia to review and discuss:

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

effectively and reasonably perform its duties.

There are 3 (Three) independent Directors in the Company and all are present in the meeting.

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

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

(6) FAMILIARISATION PROGRAMMES FOR DIRECTORS:

The Company has framed familiarisation programme for its Directors to make them understand their roles, rights and responsibilities, organisational structure, business model, finance, human resources, technology, Strategy, operations and functions of the Company.

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

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

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

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

S. No.	Financial Year	Date	Time	Venue
1	2018-19	30.09.2019	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002
2	2017-18	28.09.2018	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002
3	2016-17	28.09.2017	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002

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

- (1) At Annual General Meeting held on 28th September, 2017
 - a) Substitution of new set of Memorandum and Articles of Association in place of existing
 - b) Increase in Authorised Share Capital
 - c) Issuance of Bonus Shares in the ratio of 1:1 i.e. one equity share for every one equity share held by way of capitalisation of reserves.
- (2) At Annual General Meeting held on 28th September, 2018
 - a) Re-appointment of Mr. Sunil Kumar (holding DIN: 03619831) as an Independent Director of the Company.
 - b) Re-appointment of Ms. Priyanka Khattar (holding DIN: 02991593) as an Independent Director of the Company.
 - c) To adopt new table F in the Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013
 - d) To increase the borrowing limits under section 180(1)(c) of the Companies Act, 2013
 - e) To increase the limits of providing security in connection with the borrowings of the Company under section 180(1)(a) of the Companies Act, 2013
- (3) At Annual General Meeting held on 30th September, 2019
 - a) Appointment of Mr. Sanjay Sharma as an Executive Director of the Company for a tenure of Five (5) years.

(c) Postal Ballot:

During the year ended March 31, 2020, no

ordinary or special resolution has been passed by the shareholders through Postal Ballot.

(8) MEANS OF COMMUNICATION:

Your Company has promptly reported all material information, including declaration of financial results, press releases, etc., to the Stock Exchanges where the securities of your Company are listed. Such information was, also, simultaneously displayed immediately on your Company's website i.e. www.talbrosexles.com. The quarterly and half-yearly Financial Results of the Company during the year 2019-20 were published in leading newspapers (English & Hindi), viz., The Financial Express and Jansatta.

The "Limited Review" Reports of the Financial Results for the quarters ended June 30, 2019, September 30, 2019 and December 31, 2019 were obtained from the Statutory Auditors of the Company and filed with the stock exchange(s).

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

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

(9) GENERAL SHAREHOLDER INFORMATION:**(a) Forthcoming AGM: Date, time and venue**

The 34th Annual General Meeting of the Company will be held on Monday, 28th September, 2020 at 10:30 a.m. through VC/OAVM.

(b) Financial Year

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

Financial Calendar (Tentative)

For 1 st quarter ending 30 th June, 2020	First week of August, 2020
For 2 nd Quarter / half year ending 30 th September, 2020	First week of November, 2020
For 3 rd Quarter / nine months ending 31 st December, 2020	First week of February, 2021
For 4 th Quarter / Year ending 31 st March, 2021	Last week of May, 2021
Annual General Meeting for the year ending 31 st March, 2021	Last week of September, 2021

(c) Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for annual closing.

(d) Dividend Payment Date

No dividend has been recommended / declared for the financial year 2019-20

(e) Listing on Stock Exchanges

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

Annual listing fees for fiscal 2020-21 has been paid to the above stock exchange.

(f) Stock Code

The Stock codes allotted to the Company are as follows:

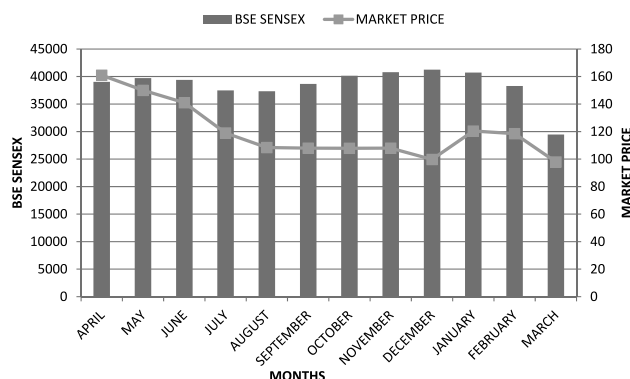
Name of the Stock Exchange	Stock Code (Scrip Code)
BSE Limited	538987

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

The Company's equity shares are listed and are available for trading on BSE Limited . The month wise High/Low of Market Price of Company's equity shares traded on BSE Limited (BSE) during the year ended on 31st March, 2020 were as follows:

Month(s) 2019-20	Market Price (₹)		BSE Sensex
	High	Low	
April	160.95	140.00	39,031.55
May	150.00	125.00	39,714.20
June	141.00	100.05	39,394.64
July	118.95	87.05	37,481.12
August	108.40	81.55	37,332.79
September	107.95	84.15	38,667.33
October	107.85	82.10	40,129.05
November	107.95	90.45	40,793.81
December	99.75	84.05	41,253.74
January	120.40	90.10	40,723.49
February	118.50	86.05	38,297.29
March	97.95	51.35	29,468.49

BSE SENSEX VS. BSE HIGH FOR THE YEAR 2019-20



(h) Registrar and Transfer Agents

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

(i) Share Transfer System

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

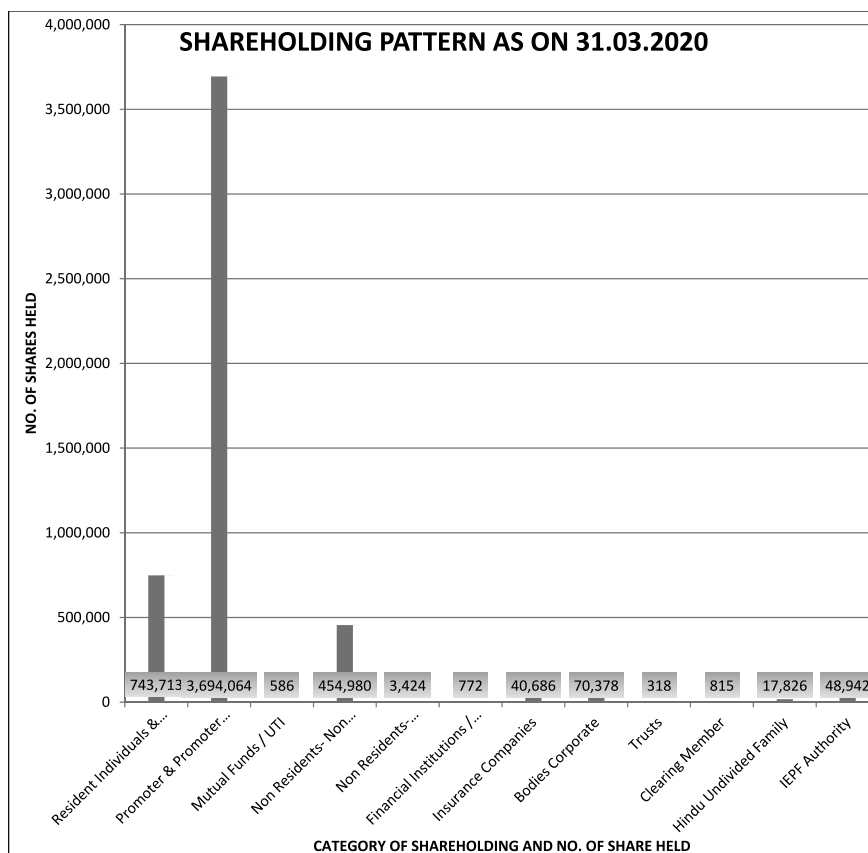
respects. The Board has delegated the authority for approval of transfer, transmission etc to Stakeholders Relationship Committee comprising of One Executive Director and Two Non Executive Directors. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

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

(j) Distribution of Shareholding

(a) *On the basis of Category*

S. No.	Category of Shareholding	Number of shareholders	No. of shares held	% of shareholding
1	Resident Individuals	5,000	7,43,713	14.65
2	Promoters	8	36,94,064	72.76
3	Mutual Funds / UTI	1	586	0.01
4	Non Residents – Non Repatriable	23	4,54,980	8.97
5	Non Residents - Repatriable	18	3,424	0.07
6	Financial Institutions / Banks	4	772	0.01
7	Insurance Companies	3	40,686	0.80
8	Bodies Corporate	59	70,378	1.39
9	Trusts	2	318	0.01
10	Clearing Member	4	815	0.02
11	Hindu Undivided Family	90	17,826	0.35
12	IEPF Authority	1	48,942	0.96
	TOTAL	5,213	50,76,504	100.00



(b) On the basis of Shares held

Size of Holdings	No. of Share holders	Percentage (%) to Total	No. of shares held	Percentage (%) to Total
Upto 5000	5,009	96.09	4,17,861	8.23
5001 to 10000	107	2.05	80,348	1.58
10001 to 20000	50	0.96	71,535	1.41
20001 to 30000	8	0.15	20,628	0.41
30001 to 40000	8	0.15	28,677	0.56
40001 to 50000	3	0.06	12,553	0.25
50001 to 100000	8	0.15	62,142	1.22
100001 and Above	20	0.39	43,82,760	86.34
TOTAL	5,213	100.00	50,76,504	100.00

(c) On the basis of ownership

S. No.	Category of Shareholder	Number of Shareholders	Total number of shares	% of holding
(A)	Promoters			
1.	Indian Individuals			
(a)	Promoters	8	36,94,064	72.76
(B)	Public Shareholding			
1.	Institutions			
(a)	Mutual Funds / UTI	1	586	0.01
(b)	Financial Institutions / Banks	4	772	0.01
(c)	Insurance Companies	3	40,686	0.80
2.	Non-institutions			
(a)	Bodies Corporate	59	70,378	1.39
(b)	Individuals	5,000	7,43,713	14.65
(c)	Trusts	2	318	0.01
(d)	Clearing Member	4	815	0.02
(e)	Non Resident Indians – Non Repatriable	23	4,54,980	8.97
(f)	Non Resident Indians – Repatriable	18	3,424	0.07
(g)	Hindu Undivided Family	90	17,826	0.35
(h)	IEPF Authority	1	48,942	0.96
	TOTAL	5,213	50,76,504	100.00

(k) Dematerialization of shares and liquidity

As on 31st March, 2020, 97.38% of the total shareholding was held in dematerialized form as per details mentioned below:

Particulars	No. of holders	No. of Shares	% of Total Issued Capital
Physical System	1,738	1,33,094	2.62
NSDL	2,460	36,96,992	72.83
CDSL	1,176	12,46,418	24.55
Total	5,374	50,76,504	100.00

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

(l) Credit Rating

Your Company has been assigned a rating of BBB+ (Stable outlook) for Long Term Bank Facilities (Term Loans) of ₹ 11.72 Crores and rating of BBB+/A2 for Short Term Bank Facilities (Fund Based Limits) availed from DBS Bank Limited, Yes Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corp. Ltd. The rating is assigned by CARE Ratings Limited.

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

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

(n) Plant Locations

- (a) *Registered and Corporate Office:*
Plot No. 74-75-76, Sector 6, Faridabad,
Haryana – 121 006
Phone: +91-129-4284300
Fax No.: +91-129-4061541
Email ID: cs@talbrosaxles.com
- (b) *Unit Locations:*
- (i) Plot No. 35,36,37,38 & 57, Industrial Area, Hathin, Distt. Palwal, Haryana
 - (ii) Plot No. 26, Industrial Area, Hathin, Distt. Palwal, Haryana
 - (iii) Plot No. 77, Sector 68, IMT, Faridabad, Haryana

(iv) Plot No. 3, Sector 5, Faridabad, Haryana

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

(o) Address for Correspondence

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

(10) OTHER DISCLOSURES:

1. There are no materially significant transaction made by the Company with its promoters, directors and their relatives or any other related parties which have potential conflict with the interests of the Company at large.
2. **Related Party Policy:** The Board of Directors has adopted and approved Related Party policy for the transactions between related parties. The same has been hosted on the website of the Company www.talbrosaxles.com.
3. **Vigil Mechanism / Whistle Blower Policy:** The Company has formulated and implemented the Vigil Mechanism / Whistle Blower Policy. The policy enables every employee, designated persons, any other person dealing with Company to report to the authorised official and Audit Committee; any instances of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct. The aforesaid policy has been hosted on Company's website.
4. **Internal Auditor:** The Company has appointed M/s GRAB and Associates, Chartered Accountants as an Internal Auditors of the Company. The quarterly reports provided by Internal Auditors are presented to the Audit Committee.
5. **Secretarial Auditor:** The Company has appointed M/s Anuj Gupta and Associates, Company Secretaries as Secretarial Auditors of the Company. The Secretarial Report provided for the year end by the Secretarial Auditors is presented to the Audit Committee and Board of Directors.
6. **Fees to Statutory Auditor:** The total fees for all the services rendered by Statutory Auditors has been fixed at ₹ 3.50 Lakhs excluding all applicable taxes.

7. The Company publish its quarterly/half yearly results in English and Hindi newspapers having wide circulation and the same shall not be sent to shareholders household.
8. The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company for the year ended on 31st March, 2020. The declaration for the same has been provided by the Executive Director along with financial results.
9. During the year, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A).
10. The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.
11. **Confirmation regarding Independent Directors:** Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla, Mr. Sarabjeet Singh and Ms. Priyanka Khattar are independent Directors on the Board at present. Based on the declarations provided, the Board is of the opinion that the Independent Directors meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations and amendments thereof.

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, We hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2020.

For and on behalf of the Board

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

Place: Faridabad
Date: 06th August, 2020

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

COO/CFO CERTIFICATION TO THE BOARD

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

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

- (1) We have reviewed financial statements and cash flow statement for the year ended on 31st March, 2020 and that to the best of our knowledge and belief:-
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial

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

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

Sd/-
Tarun Talwar
Chief Operating Officer

Sd/-
Kanwar Pal Pawar
Chief Financial Officer

Place: Faridabad
Date : 06th August, 2020

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

To
The Members
Talbros Engineering Limited

1. We, DSRV and Co. LLP, Chartered Accountants, the Statutory Auditors of Talbros Engineering Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company for the year ended on March 31, 2020 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D, E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

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

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

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co.)
Chartered Accountants
REGD. NO. AAJ-5358

Sd/-

(D.K AGRAWAL)

M.NO : 85714

Place- Faridabad
Date- 06th August, 2020

UDIN: 20085714AAAACP9526

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors of the Company for the financial year ended on 31st March, 2020 have been

debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

For Anuj Gupta & Associates
Company Secretaries

Sd/-

Anuj Gupta

Proprietor
M. No. ACS31025
CP No. 13025

Place: New Delhi
Date: 06th August, 2020
UDIN: A031025B000555054

DECLARATION FOR THE COMPLIANCE WITH CODE OF CONDUCT

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

Sd/-

Sanjay Sharma

Executive Director
DIN: 06394774

Place: Faridabad
Date: 06th August, 2020

INDEPENDENT AUDITORS' REPORT

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

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **TALBROS ENGINEERING LIMITED** (the Company), which comprise the Balance Sheet as at March 31st 2020, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards referred to in section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of 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 judgements 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 accounting records relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the act, the accounting and auditing standards and matter which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory valuation (refer Note. 3.2.8 related to inventories): Inventory were considered as a Key audit matter due to the size of the balance and because inventory valuation involves management judgement. According to company's accounting policies inventories are measured at the lower of cost or net realizable value.

Auditor's Response: To address the risk for material error on inventories, our audit procedures included amongst other: Assessing the compliance of company's accounting policies over inventory with applicable accounting standards. Assessing the analyses and assessment made by management with respect to slow moving stock.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, the financial position of the company as on March 31st 2020, and its financial

performance including Other Comprehensive Income, its Cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.
- 2) 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 purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified in section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014;
 - e) On the basis of written representations received from the directors as on March 31st 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the auditors' report in accordance with rule 11 of The Companies (audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanation given to us:
 - i) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

- iii) The company has duly transferred any amounts that is required to be transferred to the Investor Education and Protection Fund.

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

Sd/-

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

Place: Faridabad
Date: 23.06.2020
UDIN No.: 20085714AAAABW2100

ANNEXURE TO THE AUDITORS' REPORT
ANNEXURE 'A'

(As referred in paragraph 1 of **Report on other legal and regulatory requirements** of our report to the members of **TALBROS ENGINEERING LIMITED** on the accounts for the year ended March 31st 2020)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been regularly verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification during the year.
- c) Based on the audit procedures performed and according to the records of the company, title deeds of the immovable properties are held with the company.
- ii) As explained to us, the inventory has been regularly verified during the year and the frequency of such verification is reasonable. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii) As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly sub-clauses (a), (b) and (c) of para (iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of act, in respect of loans, investments, guarantees, and security to the extent applicable to it.

- v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi) To the best of our knowledge and as explained, the company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act 2013. Accordingly, Para (vi) of the order is not applicable to the Company.
- vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty and Cess and any other material statutory dues applicable to it though there has been a slight delay in few cases. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31st March 2020 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans to the bank. The company did not have any outstanding dues / loans in respect of financial institution, government or debentures during the year.
- ix) We have verified that the end use of money raised by the public issue is as disclosed in the notes to the Ind AS financial statements. The company did not have any terms loans outstanding during the year.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- xi) In our opinion, the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the act.
- xii) In our opinion the company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provision of clause 3(xii) of the order are not applicable to the company.
- xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of act, where applicable, and the details have been disclosed in the financial statement as required by applicable accounting standard.
- xiv) The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- xv) According to the information and explanation given to us and on an overall examination of the Ind AS financial statements of the company, we report that the company has not entered into any cash transactions with directors or persons connected with him.
- xvi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For D S R V AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

Sd/-

D.K. AGARWAL

(PARTNER)

M.NO: 85714

Place: Faridabad

Date: 23.06.2020

UDIN No.: 20085714AAAABW2100

ANNEXURE 'B'

Annexure to the independent Auditor's Report of Talbros Engineering Limited

Report on the Internal financial controls under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Talbros Engineering Limited ("the company") as of March 31st 2020 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's responsibility for internal financial controls

The companies' 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 controls stated in the guidance Note on the 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 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 notes on Audit of internal financial controls over financial reporting (the "Guidance Note") and the standards of auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 financial 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 including obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company's internal financial controls system over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for the external purposes in accordance with generally accepted accounting principles. A company's internal financial controls system 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 disposition of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with the generally accepted accounting principles, and that receipts and the expenditures of the company are being made only in accordance with authorisations of management and directors of the company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent limitation 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 of the internal financial controls 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 over financial reporting and such of the internal financial controls over financial reporting were operating effectively as at March 31st 2020, based on the of the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance Note on Audit of the internal financial controls over financial reporting issued by the Institute of Chartered Accountant of India.

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

Place: Faridabad
Date: 23.06.2020
UDIN No.: 20085714AAAABW2100

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

BALANCE SHEET AS AT 31st March 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS:			
Non-Current Assets			
Property plant and equipments	4.1	7,861.55	6,578.65
Intangible Assets	4.2	25.78	29.17
Capital Work in Progress	4.3	846.14	1,485.44
Financial Assets			
Non Current Investments	5	8.60	8.60
Trade receivables	6	2.23	2.39
Loans	7	307.56	254.99
Other non-current assets	8	55.86	301.52
Current Assets			
Inventories	9	3,327.74	5,185.44
Financial Assets			
Trade Receivables	10	3,104.22	4,308.43
Cash and Cash Equivalents	11	6.43	134.68
Other Bank Balances	12	12.32	12.29
Loans	13	2.44	5.87
Assets for Current Tax (net)	14	4.85	30.12
Other Current Assets	15	474.66	304.92
TOTAL		16,040.40	18,642.50
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	507.65	507.65
Other Equity	17	5,553.78	5,244.52
Non-Current Liabilities			
Financial liabilities			
Borrowings	18	2,874.60	3,252.80
Provisions	20	39.00	35.79
Deferred Tax Liabilities (Net)	19	356.40	304.68
Current Liabilities			
Financial liabilities			
Borrowings	21	3,156.50	4,003.99
Trade Payables	22	1,862.11	3,165.08
Other financial liabilities	23	1,504.91	1,687.56
Other Current Liabilities	24	149.08	402.69
Provisions	25	36.37	37.73
Liabilities for current tax(net)	14	-	-
TOTAL		16,040.40	18,642.50

Summary of significant accounting policies 2
 The accompanying notes are an integral part of the financial statements

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

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

Place : Faridabad
 Date : 23.06.2020
 UDIN : 20085714AAAABW2100

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

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

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

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

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	Notes	Year Ended 31st March, 2020	Year Ended 31st March, 2019
INCOME			
Revenue From Operations (Gross)	26	21,622.64	26,925.19
Other Income	27	112.37	145.56
Total Income		21,735.01	27,070.75
EXPENSES			
Cost of Raw Material Consumed	28	9,982.39	14,211.52
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	29	837.17	(949.82)
Excise duty on sale of goods		-	-
Employee Benefits Expenses	30	1,986.53	2,132.16
Finance Costs	31	719.72	681.51
Depreciation and Amortization Expense	32	783.40	652.56
Other Expenses	33	6,921.02	9,136.63
Total Expenses		21,230.24	25,864.56
Profit before Exceptional Items and Tax		504.77	1,206.19
Exceptional Items		-	77.02
Profit before Tax		504.77	1,129.17
Current Tax	77.00		290.00
Deferred Tax	51.72		100.00
Taxes For Earlier Years	(25.77)	102.95	18.78
Profit after Exceptional Items and Tax		401.82	720.39
Other Comprehensive Income			
i) Items that will not be classified to profit or loss Remeasurement of Defined Benefit Plans		(14.80)	10.92
ii) Items that will be classified to profit or loss Effective portion of gains/(losses) on hedging instrument in cash flow hedges		(2.94)	-
Other Comprehensive Income for the year, net of Taxes		(17.74)	10.92
Total Other comprehensive income		384.08	731.31
Earnings per Equity Share (Face Value of ₹ 10/-)			
Basic and Diluted Restated Earnings Per Share		7.57	14.41
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

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

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

Place : Faridabad
 Date : 23.06.2020
 UDIN : 20085714AAAABW2100

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

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

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

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

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

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

PARTICULARS	31st March, 2020	31st March, 2019
Net Profit before taxation, and exceptional item	504.77	1,206.19
Adjustment for:		
Depreciation	783.40	652.56
Preliminary Expenses W/off	-	-
Interest Paid	719.72	681.51
Loss/(Profit) on Sale of Fixed Assets	1.34	(5.66)
Interest Received	(4.19)	(0.73)
Exceptional Items	-	(77.02)
Operating Profit before Working Capital Changes	2,005.05	2,456.85
Adjustments for:-		
Trade and Other Receivables	1,204.36	(1,442.65)
Inventories	1,857.70	(1,518.92)
Other Current Assets	71.95	303.32
Trade Payables	(1,302.97)	1,144.50
Other Current Liabilities	(1,549.36)	1,853.32
CASH GENERATED FROM OPERATIONS:	2,286.74	2,796.41
Interest paid	(719.72)	(681.51)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	1,567.01	2,114.89
Interest Received	4.19	0.73
Purchase of Fixed Assets	(1,437.50)	(2,601.30)
Sale of Fixed Assets	12.25	14.00
Dividend Received	-	-
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,421.06)	(2,586.57)
Proceeds from /(Repayment) of long Term Borrowings	(374.98)	797.15
Proceeds from Share Capital	-	-
Proceeds from Security Premium	-	-
Dividend paid	(76.15)	(76.15)
Dividend Distribution Tax Paid	(16.12)	(16.12)
Proceeds from /(Repayment) of long Term Loans & Advances	193.08	(280.03)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(274.16)	424.85
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	(128.21)	(46.83)
Cash/Cash Equivalents as at 1st April (Opening Balance)	146.96	193.79
Cash/Cash Equivalents as at 31st March (Closing Balance)	18.75	146.96

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

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

Place : Faridabad
 Date : 23.06.2020
 UDIN : 20085714AAAABW2100

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

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

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

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**1 COMPANY OVERVIEW**

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

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

- (i) These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable).
- (ii) These Financial Statements were approved for issue by the Board of Directors on 23.06.2020

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded off to the nearest Lakhs with Two Decimals.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue Recognition

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

3.2.1 Property, plant and equipment

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

3.2.2 Capital work in progress

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

3.2.3 Depreciation

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

3.2.4 Intangible assets

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

3.2.5 Borrowing Costs

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

3.2.6 Cash and cash equivalents

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

3.2.7 Impairment of Non-financial assets

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

3.2.8 Inventories

Cost of inventory comprise of cost of purchase, of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. closing inventories have been valued as follows: • Raw materials, Stores, Spares & Packing Material are valued at lower of cost or net realisable value. Cost is determined on First in First Out (FIFO) basis. • Finished goods and work in progress are valued at cost. Cost includes variable and fixed overheads allocated to work in progress and finished goods

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

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty,

are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the Financial statements.

3.2.10 Taxation

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

3.2.11 Employee benefit schemes

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

a) Gratuity

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

b) Leave encashment

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

3.2.12 Foreign currency transactions

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

3.2.13 Earnings per share

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

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

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

3.2.14 Cash Flow Statement

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

3.2.15 Segment Reporting

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

3.2.16 Research and development

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

3.2.17 Leases

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

3.2.18 Use Of Estimates

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

3.2.19 Share Issue Expenses

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

3.2.20 Derivative Financial Instruments

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

3.2.21 Hedge Accounting

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

4 PROPERTY PLANT AND EQUIPMENTS
4.1 Tangible assets

	As at 31st March, 2020	As at 31st March, 2019
	7,861.55	6,578.65
	7,861.55	6,578.65
	25.78	29.17
	25.78	29.17
	846.14	1,485.44
	846.14	1,485.44

4.2 Intangible assets
4.3 Capital work in progress
4.1 : PROPERTY PLANT AND EQUIPMENT

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01-04-2019	Additions during the year	Sale/Adjustment during the year	As At 31.03.2020	Up to 31.03.2019	For the period ended as on 31.03.2020	Adjustments during the year	Total upto 31.03.2020
	₹	₹	₹	₹	₹	₹	₹	₹
LAND	1,741.88	-	-	1,741.88	-	-	-	-
BUILDING	803.24	1,071.85	-	1,875.10	145.97	42.04	-	188.02
PLANT & MACHINERY	7,594.41	830.53	-	8,424.95	3,709.77	674.51	-	4,384.28
VEHICLES	256.63	162.54	87.87	331.29	141.31	32.91	74.28	99.94
FURNITURE & FIXTURES	51.52	1.51	-	53.03	37.04	4.44	-	41.48
OFFICE EQUIPMENT	101.83	5.34	-	107.17	80.33	5.51	-	85.84
ELECTRIC INSTALLATION	208.11	3.07	-	211.18	75.27	15.32	-	90.59
COMPUTER	59.32	1.96	-	61.28	48.61	5.56	-	54.17
CURRENT YEAR	10,816.95	2,076.80	87.87	12,805.87	4,238.29	780.31	74.28	4,944.32
PREVIOUS YEAR	8,937.51	1,911.69	32.25	10,816.95	3,612.65	649.55	23.91	4,238.29

4.2 : INTANGIBLE ASSETS

INTANGIBLE ASSETS	35.52	-	-	35.52	6.36	3.39	-	9.75	25.78	29.17
CURRENT YEAR	35.52	-	-	35.52	6.36	3.39	-	9.75	25.78	29.17
PREVIOUS YEAR	34.13	1.39	-	35.52	3.05	3.31	-	6.36	29.17	31.09

4.3 : CAPITAL WORK IN PROGRESS

CWIP - BUILDING	1,233.12	442.53	1,071.85	603.80	-	-	-	-	603.80	1,233.12
CWIP - PLANT & MACHINERY	252.32	-	9.98	242.35	-	-	-	-	242.35	252.32
CURRENT YEAR	1,485.44	442.53	1,081.83	846.14	-	-	-	-	846.14	1,485.44
PREVIOUS YEAR	797.21	688.23	-	1,485.44	-	-	-	-	1,485.44	797.21
TOTAL CURRENT YR	12,337.91	2,519.33	1,169.70	13,687.54	4,244.65	783.70	74.28	4,954.07	8,733.47	8,093.26
PREVIOUS YEAR	9,768.85	2,601.30	32.25	12,337.91	3,615.70	652.86	23.91	4,244.65	8,093.26	6,153.15

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
5 NON -CURRENT INVESTMENTS		
UNQUOTED NON TRADE EQUITY INSTRUMENTS(AT COST)		
Investments in equity instruments	8.60	8.60
Talbro Cork Products Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each)(PY. 33000)		
Total Non-Current Investments	<u>8.60</u>	<u>8.60</u>
6 TRADE RECEIVABLES		
Unsecured, Considered Good	2.23	2.39
Total trade receivables	<u>2.23</u>	<u>2.39</u>
7 LOANS, UNSECURED, CONSIDERED GOOD		
Security Deposits	307.56	254.99
Total Long Term Loans and Advances	<u>307.56</u>	<u>254.99</u>
8 OTHER NON CURRENT ASSETS		
Capital Advances	55.86	301.52
	<u>55.86</u>	<u>301.52</u>
9 INVENTORIES		
(Taken, Valued and Certified by the Management)		
Raw Materials	580.11	1,677.16
Work-in-Progress	2,092.19	2,848.22
Finished Goods	-	35.31
Stores, Spares and Loose Tools	586.86	507.95
Scrap	24.40	70.23
Others (Packing Materials)	44.18	46.57
Total Inventories	<u>3,327.74</u>	<u>5,185.44</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
10 TRADE RECEIVABLES		
Unsecured, Considered Good	3,104.22	4,308.43
Total Trade Receivables	<u>3,104.22</u>	<u>4,308.43</u>
11 CASH AND CASH EQUIVALENTS		
Cash in hand	2.37	0.61
Balances with banks		
In current accounts	3.63	133.63
Fixed Deposit with Bank (Current Maturity)	0.43	0.43
	<u>6.43</u>	<u>134.68</u>
12 OTHER BANK BALANCES		
In dividend accounts	12.32	12.29
Margin Money	-	-
	<u>12.32</u>	<u>12.29</u>
13 LOANS		
Loans to Employees	2.44	5.87
	<u>2.44</u>	<u>5.87</u>
14 ASSETS FOR CURRENT TAX (Net)		
Advance Income Tax	81.85	320.12
Provision for Income Tax	77.00	290.00
	<u>4.85</u>	<u>30.12</u>
15 OTHER CURRENT ASSETS		
Unsecured, Considered Good		
Prepaid Expenses	15.01	5.40
Advance to Suppliers	228.33	36.69
Other Advances	31.78	7.52
Balances with Statutory/Govt. Authorities:-		
Excise Duty Balance	50.43	50.434
Income Tax Advance	70.48	110.460
Sales Tax Advance	59.88	73.728
Duty Drawback Receivable	18.75	20.693
Total Other Current Assets	<u>474.66</u>	<u>304.92</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
16 EQUITY SHARE CAPITAL		
16.1 AUTHORISED SHARE CAPITAL		
51,00,000 (P.Y. 51,00,000) Equity Shares of ₹ 10/- each	<u>510.00</u>	<u>510.00</u>
16.2 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL		
50,76,504 (P.Y. 50,76,504) Equity Shares of ₹ 10/- each fully paid up	<u>507.65</u>	<u>507.65</u>
Total Issued, Subscribed and fully paid up capital	<u>507.65</u>	<u>507.65</u>
16.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD		
Equity shares		
At the beginning of the year	5,076,504	5,076,504
Add: Right Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Shares forfeited, etc	-	-
Outstanding at the end of the year	<u>5,076,504</u>	<u>5,076,504</u>

16.4 TERMS/ RIGHTS AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having par value of INR ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Directors do not propose payment of dividend for the year ended on 31st March 2020.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March 2019, the amount of dividend per share distributed to equity holders was INR 1.50/- per share. The total dividend Appropriation paid for the year ended 31st March 2019 amounts to INR 76,14,756/- excluding Dividend Distribution Tax of INR 16,12,120/-.

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

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	%	No. of Shares	%
Rajesh Talwar	1010498	19.91%	1010498	19.91%
Gita Talwar	1011754	19.93%	1011754	19.93%
Rakesh Talwar	592634	11.67%	592634	11.67%
Naini Talwar	294660	5.80%	294660	5.80%
Sartaj K Sahni	451004	8.88%	451004	8.88%
Rakesh Talwar (HUF)	272414	5.37%	272414	5.37%
Shweta Talwar	365822	7.21%	358873	7.07%

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
17 OTHER EQUITY		
17.1 CAPITAL RESERVE	174.87	174.87
17.2 SECURITIES PREMIUM ACCOUNT	179.37	179.37
17.3 REVALUATION RESERVE	8.51	8.80
17.4 GENERAL RESERVE	307.25	307.25
17.5 OTHER RESERVES	79.24	76.30
17.6 RETAINED EARNINGS	4,804.54	4,497.93
	<u>5,553.78</u>	<u>5,244.52</u>
17.1 CAPITAL RESERVE		
As per last balance sheet	174.87	174.87
Add/less: adjustment during the year	-	-
Closing balance	<u>174.87</u>	<u>174.87</u>
17.2 SECURITIES PREMIUM ACCOUNT		
As per last balance sheet	179.37	179.37
Add: Security premium raised during the year	-	-
Less: Bonus Shares Issued	-	-
	<u>179.37</u>	<u>179.37</u>
17.3 REVALUATION RESERVE		
Revaluation Reserve	8.80	9.10
Less: Transferred to Profit & Loss A/c	(0.30)	(0.30)
Closing balance	<u>8.51</u>	<u>8.80</u>
17.4 GENERAL RESERVE		
As per last balance sheet	307.25	307.25
Add/less: adjustment during the year	-	-
Closing balance	<u>307.25</u>	<u>307.25</u>
17.5 OTHER RESERVES		
Capital Subsidy		
As per last balance sheet	76.30	76.30
Add/less: adjustment during the year	-	-
Closing balance	<u>76.30</u>	<u>76.30</u>
Cash Flow Hedge Reserve		
As per last balance sheet	-	-
Other Comprehensive Income (Net of Taxes)	2.94	-
Closing balance	<u>2.94</u>	<u>-</u>
Total Other Reserves	<u>79.24</u>	<u>76.30</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
17.6 RETAINED EARNINGS		
As per last balance sheet	4,497.93	3,869.81
Profit for the year	401.82	720.39
Add: Transfer from Other Comprehensive Income	14.80	(10.92)
Less : Transfer to General reserve	-	-
Dividend on equity shares	76.15	76.15
Dividend distribution tax on dividend	16.12	16.12
Closing balance	4,822.28	4,487.00
OTHER COMPREHENSIVE INCOME		
Remeasurement of Defined Benefit Obligation(net)	(14.80)	10.92
Cash Flow Hedge reserves	(2.94)	-
Transfer to retained earnings	(17.74)	10.92
TOTAL	4,804.54	4,497.93
18 LONG TERM BORROWINGS		
SECURED BORROWINGS		
Term loans		
From banks	464.81	816.72
From others	1,213.13	1,590.47
Total secured long term borrowings (I)	1,677.94	2,407.19
UNSECURED BORROWINGS		
Loans and advances from related parties	1,196.66	845.61
From others	-	-
Total unsecured long term borrowings (II)	1,196.66	845.61
Total Long Term Borrowings (I+II)	2,874.60	3,252.80

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

Particulars of loan/security/ guarantee	Terms of Repayment	As at 31 st March, 2020	As at 31 st March, 2019
TERM LOANS FROM BANKS			
TERM LOANS FROM HDFC BANK		Closing Balance	
Term Loans from HDFC Bank Limited are secured by First parri-passu charge by way of hypothecation of the Company's assets, both present and future, and further secured by equitable mortgage on Plot no. 74-75, Sector-6, Faridabad, Plot No. 35-38, Hathin and exclusive charge on Plot No. 77, Sector -68, Faridabad. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is 9% p.a.	Monthly payment of equated monthly Installments beginning from the month of disbursement.	298.21	520.99
		Current Maturity	
		187.06	222.78
		Non-Current Maturity	
		111.15	298.21

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

Particulars of loan/security/ guarantee	Terms of Repayment	As at 31 st March, 2020	As at 31 st March, 2019
TERM LOANS FROM YES BANK		Closing Balance	
Term Loans from Yes Bank Limited are secured by First parri-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and exclusive charge on Plot no. 76, Sector-6, Faridabad and further secured by hypothecation of current assets both present and future. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. Applicable rate of interest is half yearly MCLR with half yearly interest reset.	Monthly payment of equated monthly Installments beginning from the month of disbursement.	510.00	770.00
		Current Maturity	
		260.00	260.00
		Non-Current Maturity	
		250.00	510.00
TERM LOANS FROM NBFCs		Closing Balance	
Term Loans from Bajaj Finance Limited are secured by exclusive charge on plant and machinery purchased and procured out of their loan proceeds. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is 8.5% linked to BFL Linked base rate.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	1,589.83	1,931.34
		Current Maturity	
		376.69	340.86
		Non-Current Maturity	
		1,213.13	1,590.47
VEHICLE LOANS FROM BANKS		Closing Balance	
Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.30% p.a. to 9.00%p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	137.91	22.04
		Current Maturity	
		34.25	13.54
		Non-Current Maturity	
		103.66	8.50

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
19 DEFERRED TAX LIABILITIES		
Fixed Assets	356.40	304.68
Deferred Tax Liability (Net)	<u>356.40</u>	<u>304.68</u>
20 LONG TERM PROVISION		
Annual Leave Payable	39.00	35.79
Total Long Term Provision	<u>39.00</u>	<u>35.79</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
21 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loans From Banks *		
HDFC Bank Ltd	(225.36)	564.49
Yes Bank Ltd	186.39	1,212.56
DBS Bank Ltd	1,246.55	1,433.27
HSBC Bank Ltd	949.26	793.67
Short Term Borrowings from Others	999.65	-
Total Short Term Borrowings	<u>3,156.50</u>	<u>4,003.99</u>
* The facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the company. The facilities of working capital from banks are further secured by personal guarantees of President and COO of the company.		
22 TRADE PAYABLES		
Dues to MSME *	19.28	21.05
Dues of other than MSME	1,842.84	3,144.03
Total Trade Payables	<u>1,862.11</u>	<u>3,165.08</u>
* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information provided by the parties to the Company.		
23 OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt	858.01	837.18
Interest accrued and due on Borrowings		-
Interest accrued but not due on borrowings	36.20	16.24
Creditors for Expenses	352.27	378.78
Creditors for Capital Expenditure	40.76	64.59
Unpaid Dividends	12.32	12.29
Other Liabilities:-		
Accrued Salary & Benefits	63.33	61.99
Security Job Contractors	30.86	30.36
Other payables	111.16	286.14
Total	<u>1,504.91</u>	<u>1,687.56</u>
24 OTHER CURRENT LIABILITIES		
Advance from Customers	8.24	1.85
Statutory Dues payable	26.77	24.23
GST payable	97.68	340.78
TDS payable	16.38	35.83
	<u>149.08</u>	<u>402.69</u>
25 PROVISIONS		
Provision for Employee Benefits	36.37	37.73
Total Short Term Provisions	<u>36.37</u>	<u>37.73</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
26 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
Domestic Sales	16,367.52	20,590.42
Export Sales	4,364.37	5,207.12
	<u>20,731.89</u>	<u>25,797.53</u>
OTHER OPERATING REVENUES		
Other operating revenues	890.75	1,127.66
Total Revenue From Operations	<u>21,622.64</u>	<u>26,925.19</u>
27 OTHER INCOME		
Interest Income	4.19	0.73
Foreign Exchange Fluctuation	108.19	76.72
Other non-operating income (Misc. Income)	-	68.10
Total Other Income	<u>112.37</u>	<u>145.56</u>
28 COST OF RAW MATERIAL CONSUMED		
Opening Stock	1,677.16	1,377.88
Purchases	8,878.92	14,488.25
Cartage Inward	6.42	22.54
	<u>10,562.50</u>	<u>15,888.68</u>
Closing Stock	(580.11)	(1,677.16)
Total Cost of Raw Material Consumed	<u>9,982.39</u>	<u>14,211.52</u>
29 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE		
CLOSING STOCK		
Finished Goods	-	35.31
Work-in-progress	2,092.19	2,848.22
Scrap	24.40	70.23
	<u>2,116.59</u>	<u>2,953.76</u>
OPENING STOCK		
Finished Goods	35.31	-
Work-in-progress	2,848.22	1,906.43
Scrap	70.23	97.51
	<u>2,953.76</u>	<u>2,003.94</u>
(Increase) / Decrease In Stock	<u>837.17</u>	<u>(949.82)</u>

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1,655.25	1,688.89
Contribution to Provident and other Funds	56.17	57.88
Director's Remuneration	24.66	16.46
Gratuity	22.94	20.53
Staff Welfare Expenses	227.51	348.40
Total Employee Benefits Expense	1,986.53	2,132.16
31 FINANCE COST		
Interest Expense	538.19	483.59
Other Borrowing Cost	181.53	197.93
Total Finance Cost	719.72	681.51
32 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	783.70	652.86
Amount transferred from Revaluation Reserve	(0.30)	(0.30)
Total Depreciation and Amortisation	783.40	652.56
33 OTHER EXPENSES		
MANUFACTURING EXPENSE		
Stores, Spares and Tools Consumed	2,222.49	2,917.79
Power & Fuel	1,899.38	2,519.20
Processing Charges	680.51	983.30
Repairs & Maintenance :		
Buildings	49.25	58.62
Plant & Machinery	432.06	534.35
Other	57.80	62.40
Total Manufacturing Expense (I)	5,341.50	7,075.66
ADMINISTRATIVE EXPENSES		
Rent, Rates and Taxes	97.16	74.81
Insurance	21.81	25.42
Travelling Expenses	24.90	37.38
Commission on Sale	14.88	14.46
Packing Expenses	446.88	662.07
Advertisement & Sales Promotion	7.59	7.11
Printing & Stationary	13.97	13.98
Postage & Telegram	5.57	4.95
Telephone Expenses	7.79	7.70
Legal & Professional Charges	100.31	76.46
Membership & Subscription	1.48	0.32
Charity & Donation	0.82	2.15

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Corporate Social Responsibility Expense	14.89	22.36
Security Services	101.37	103.91
Miscellaneous Expenses	3.77	2.88
Loss on Sale of Fixed Assets (Net)	1.34	(5.66)
Conveyance Expenses	9.65	12.99
Vehicles Running & Maintenance	17.13	19.76
Freight Outward	680.57	970.27
Auditors Remuneration :-		
Audit Fees	7.50	7.50
Director's Sitting Fee	0.15	0.15
Total Administrative Expense (II)	1,579.52	2,060.97
Total Other Expenses (I+II)	6,921.02	9,136.63

34 EXCEPTIONAL ITEMS

During the year the Company made advance for import of Machinery but the payment was hacked through internet fraud. The same is being written off as irrecoverable after receipt of Police report on the same. The write off is treated as an Exceptional item and is shown accordingly.

35 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

a) Gross amount required to be spent during the year	22.94	18.93
Amount unspent for financial year 2018-19	NIL	3.37
Total Amount to be spent on CSR for the year	22.94	22.30
b) Amount spent during the year on	14.89	22.36
i) Construction/ acquisition of any asset	NIL	NIL
ii) On purposes other than i) above	14.89	22.36

36 SEGMENT REPORTING

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

37 FOREIGN CURRENCY TRANSACTIONS:

I. CIF Value of Imports :		
a) Plant & Machinery	-	79.42
II. Expenditure in Foreign currency		
a) Commission on Export Sales	12.46	12.60
b) Foreign Travel (Foreign Exchange Utilized)	7.82	14.37
c) Repair & Maint. (Plant & Mach.)	4.05	0.38
d) Fixed Assets	1.40	-
III. Earnings in Foreign Exchange		
* Value of Export on F.O.B. basis	4,304.30	5,128.19
IV. Dividend paid in Foreign Currency		
Details of amount remitted during the year in foreign currency on account of dividend	0.01	0.01

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(All Amount in ₹ Lakhs unless otherwise stated)

	<u>For the year ended 31st March, 2020</u>	<u>For the year ended 31st March, 2019</u>
38 EARNING PER SHARE		
Earning per Share computed in accordance with Accounting Standard (Ind AS-33)		
a) Numerator		
Net profit after taxation as per Statement of Profit and Loss (before Exceptional items)	384.08	808.33
Net profit after taxation as per Statement of Profit and Loss (After Exceptional Items)	384.08	731.31
b) Denominator		
No. of Shares at the beginning of the year	5,076,504	5,076,504
Total Equity shares outstanding at the end of the year	5,076,504	5,076,504
Weighted Average no of Equity shares for the year	5,076,504	5,076,504
Weighted Average of Diluted Equity shares for the year	5,076,504	5,076,504
c) Face value per Share (₹)	10	10
d) Earning Per Share		
Basic and Diluted (before Exceptional Items)	7.57	15.92
Basic and Diluted (After Exceptional Items)	7.57	14.41

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

- (a) The Company has during the year taken assets on non-cancellable operating lease. The Minimum lease payments charged to Profit & Loss account during the year for the Company aggregates to ₹ **63.68**
- (b) Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the company are as follows:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Not later than one year	66.86	63.67
Later than one year and not later than five years	250.93	250.38
Later than five years	-	-

40 CONTINGENT LIABILITIES AND COMMITMENTS
CONTINGENT LIABILITIES

a) Guarantees	8.00	8.00
b) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	0.32	787.71
c) Estimated amount of contracts remaining to be executed on capital account and not provided		
Total value of Contracts	684.36	1,113.13
Contracts Remaining to be executed	392.44	767.88

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020
41 LICENSED AND INSTALLED CAPACITY

	Axles Shafts (Nos.)	Axles Shafts (Nos.)
Licensed Capacity	N.A.	N.A.
Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter)	2100000	2100000
Actual Production	1489167	1928002

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

TURNOVER		For the Year Ended 31st March, 2020		For the Year Ended 31st March, 2019	
Finished Goods:	UOM	Quantity	Value	Quantity	Value
Axle Shafts	Nos.	1,491,867.00	20,731.89	1,925,302	-
Scrap and Others	Kgs.	3,456,212.00	655.95	4,365,495	891.32
Total			21,387.84		26,688.85
STOCKS OF GOODS					
Opening Stock:					
Axle Shafts	Nos.	2,700.00	35.31	-	-
Closing Stock:					
Axle Shafts	Nos.	-	-	2,700	35.31

43 CONSUMPTION ANALYSIS
43.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-

(₹ in Lakhs)

TURNOVER		For the Year Ended 31st March, 2020		For the Year Ended 31st March, 2019	
		Quantity	Value	Quantity	Value
Metallic Rods		17486787	9,982.39	-	14,211.52
Indigenous		100%	9,982.39	100%	14,211.52
Total		100%	9,982.39	100%	14,211.52

43.2 COMPOSITIONS OF STORES , SPARES AND TOOLS CONSUMED:-

(₹ in Lakhs)

TURNOVER		For the Year Ended 31st March, 2020		For the Year Ended 31st March, 2019	
		Quantity	Value	Quantity	Value
Indigenous		100%	2,222.49	100%	2,917.79
Total		100%	2,222.49	100%	2,917.79

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

Mr. Tarun Talwar	C.O.O.
Mr. Sanjay Sharma	Director
Mr. Vijay Kumar Sharma	Director
Mr. Ankush Jindal	Company Secretary
Mr. Kanwar Pal Pawar	CFO
Mr. Rajesh Talwar	Father of Tarun Talwar
Mrs. Gita Talwar	Mother of Mr. Tarun Talwar

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Mrs. Sameena Talwar
Mrs. Shweta Talwar

Sister of Mr. Tarun Talwar
Wife of Mr. Tarun Talwar

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Mr. Tarun Talwar	Salary	52.80	52.80	(2.74)	(2.55)
Mr. Sanjay Sharma	Salary	12.14	4.86	(0.92)	(0.68)
Mr. Vijay Kumar Sharma	Salary	12.52	11.60	(0.85)	(0.82)
Mr. Ankush Jindal	Salary	7.83	7.07	(0.63)	(0.53)
Mr. Kanwar Pal Pawar	Salary	4.22	3.92	(0.34)	(0.31)
Mr. Rajesh Talwar	Salary	29.70	50.40	(1.28)	(2.11)
	Unsecured Loans Recd.	223.50	-	(223.50)	-
	Interest on Loan	1.78	-	-	-
Mrs. Gita Talwar	Unsecured Loans Recd.	150.00	324.40	(591.40)	(441.40)
	Unsecured Loans Repaid	-	-	-	-
	Interest on Loan	16.58	-	-	-
Mrs. Sameena Talwar	Unsecured Loans Recd.	-	6.00	-	(26.50)
	Unsecured Loans Repaid	26.50	2.50	-	-
	Interest on Loan	0.76	3.28	-	-
Mrs. Shweta Talwar	Unsecured Loans Recd.	7.00	-	(59.86)	(56.00)
	Interest on Loan	7.87	7.00	-	-

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
J.T.Engineering Private Limited.	Job Work Charges Paid	4.05	17.11	(4.85)	(0.10)
	Rent Paid	2.52	-	-	-

45 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**46.1 LEAVE ENCASHMENT**

Following Basis were adopted for the computation of the said liabilities

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

	Numbers of Employees	Actuarial Value of Leave Encashment	Numbers of Employees	Actuarial Value of Leave Encashment
	31.03.2020		31.03.2019	
Determined by assuming salary rise of 6% per annum have been discounted by assuming the imputed rate of interest of 8 % per annum	221	39.00	241	35.79

46.2 GRATUITY

Assumptions

Discount Rate	6.80%	7.37%
Salary Escalation	6.00%	6.00%

EMPLOYEE BENEFITS**Defined Contribution Plans :-**

The Company has recognised INR 12.02 Lakhs as expenses in the Statement of Profit and loss account for the year, (P.Y. INR 10.23 Lakhs)

Defined Benefit Plans :-

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2020).

Plan Liability

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

Date Ending	31.03.2020	31.03.2019
Present value of obligation as at the end of the period	168.56	148.17
Service Cost	31.03.2020	31.03.2019
a) Current Service Cost	11.74	10.49
b) Past Service Cost including curtailment Gains/Losses	-	-
c) Gains or Losses on Non routine settlements	-	-
d) Total Service Cost	11.74	10.49
Net Interest Cost	31.03.2020	31.03.2019
a) Interest Cost on Defined Benefit Obligation	11.34	9.98
b) Interest Income on Plan Assets	11.05	10.15
c) Net Interest Cost (Income)	0.29	(0.17)

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Change in Benefit Obligation	31.03.2020	31.03.2019
a) Present value of obligation as at the beginning of the period	148.17	129.11
b) Acquisition adjustment	-	-
c) Interest Cost	11.34	9.98
d) Service Cost	11.74	10.49
e) Past Service Cost including curtailment Gains/Losses	-	-
f) Benefits Paid	(22.83)	(16.91)
g) Total Actuarial (Gain)/Loss on Obligation	20.14	15.50
h) Present value of obligation as at the End of the period	168.56	148.17
Bifurcation of Actuarial Gain/Loss on Obligation	31.03.2020	31.03.2019
a) Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(0.08)	-
b) Actuarial (Gain)/Loss on arising from Change in Financial Assumption	9.08	0.86
c) Actuarial (Gain)/Loss on arising from Experience Adjustment	11.14	14.65
Actuarial Gain/Loss on Plan Asset	31.03.2020	31.03.2019
a) Expected Interest Income	11.05	10.15
b) Actual Income on Plan Asset	10.83	10.25
c) Actuarial gain /(loss) for the year on Asset	(0.22)	0.09
Balance Sheet and related analysis	31.03.2020	31.03.2019
a) Present Value of the obligation at end	168.56	148.17
b) Fair value of plan assets	143.34	144.43
c) Unfunded Liability/provision in Balance Sheet	(25.22)	(3.75)
The amounts recognized in the income statement.	31.03.2020	31.03.2019
a) Total Service Cost	11.74	10.49
b) Net Interest Cost	0.29	(0.17)
c) Expense recognized in the Income Statement	12.03	10.32
Other Comprehensive Income (OCI)	31.03.2020	31.03.2019
a) Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b) Actuarial gain / (loss) for the year on PBO	(20.14)	15.50
c) Actuarial gain /(loss) for the year on Asset	(0.22)	0.09
d) Unrecognized actuarial gain/(loss) for the year	(20.36)	15.41

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Change in plan assets	31.03.2020	31.03.2019
a) Fair value of plan assets at the beginning of the period	144.43	131.36
b) Actual return on plan assets	10.83	10.58
c) Fund Management Charges	-	(0.33)
c) Employer contribution	10.91	19.73
d) Benefits paid	(22.83)	(16.91)
e) Fair value of plan assets at the end of the period	143.34	144.43

Major categories of plan assets (as %age of total plan assets)	31.03.2020	31.03.2019
a) Government of India Securities	-	-
b) State Government securities	-	-
c) High Quality Corporate Bonds	-	-
d) Equity Shares of listed companies	-	-
e) Property	-	-
f) Funds Managed by Insurer	100%	100%
g) Bank Balance	-	-
Total	100%	100%

Change in Net Defined Benefit Obligation	31.03.2020	31.03.2019
a) Net defined benefit liability at the start of the period	3.75	(2.25)
b) Acquisition adjustment	-	-
c) Total Service Cost	11.74	10.49
d) Net Interest cost (Income)	0.29	(0.17)
e) Re-measurements	20.36	15.41
f) Contribution paid to the Fund	(10.91)	(19.73)
g) Benefit paid directly by the enterprise	-	-
h) Net defined benefit liability at the end of the period	25.22	3.75

Bifurcation of PBO at the end of year in current and non current.	31.03.2020	31.03.2019
a) Current liability (Amount due within one year)	43.72	4.79
b) Non-Current liability (Amount due over one year)	124.84	143.38
Total PBO at the end of year	168.56	148.17

Expected contribution for the next Annual reporting period.	31.03.2020	31.03.2019
a) Service Cost	13.15	13.40
b) Net Interest Cost	1.71	0.29
c) Expected Expense for the next annual reporting period	14.86	13.68

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

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- 48** Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.
- 49** All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.
- 50** Current year figures are shown in bold prints

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

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

Place : Faridabad
Date : 23.06.2020
UDIN : 20085714AAAABW2100

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

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

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

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

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