



EXPLORING OPPORTUNITIES.  
EXPANDING SCALE.  
ESCALATING GROWTH.

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## Investor Information

Market Capitalisation (as on March 31, 2023)	: ₹ 506 Crores
CIN	: L29199HR1956PLC033107
BSE Code	: 505160
NSE Symbol	: TALBROAUTO
Bloomberg Code	: TALB:IN
Interim Dividend	: ₹ 1.00 per share
Final Dividend	: ₹ 2.00 per share
AGM Date	: September 25, 2023
AGM Mode	: Video Conferencing
AGM deemed Venue	: Registered Office of the Company

For more investor-related information, please visit:

<https://www.talbros.com/investor>

Scan this QR code for more investor related information



### Disclaimer

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

# Exploring Opportunities. Expanding Scale. Escalating Growth.

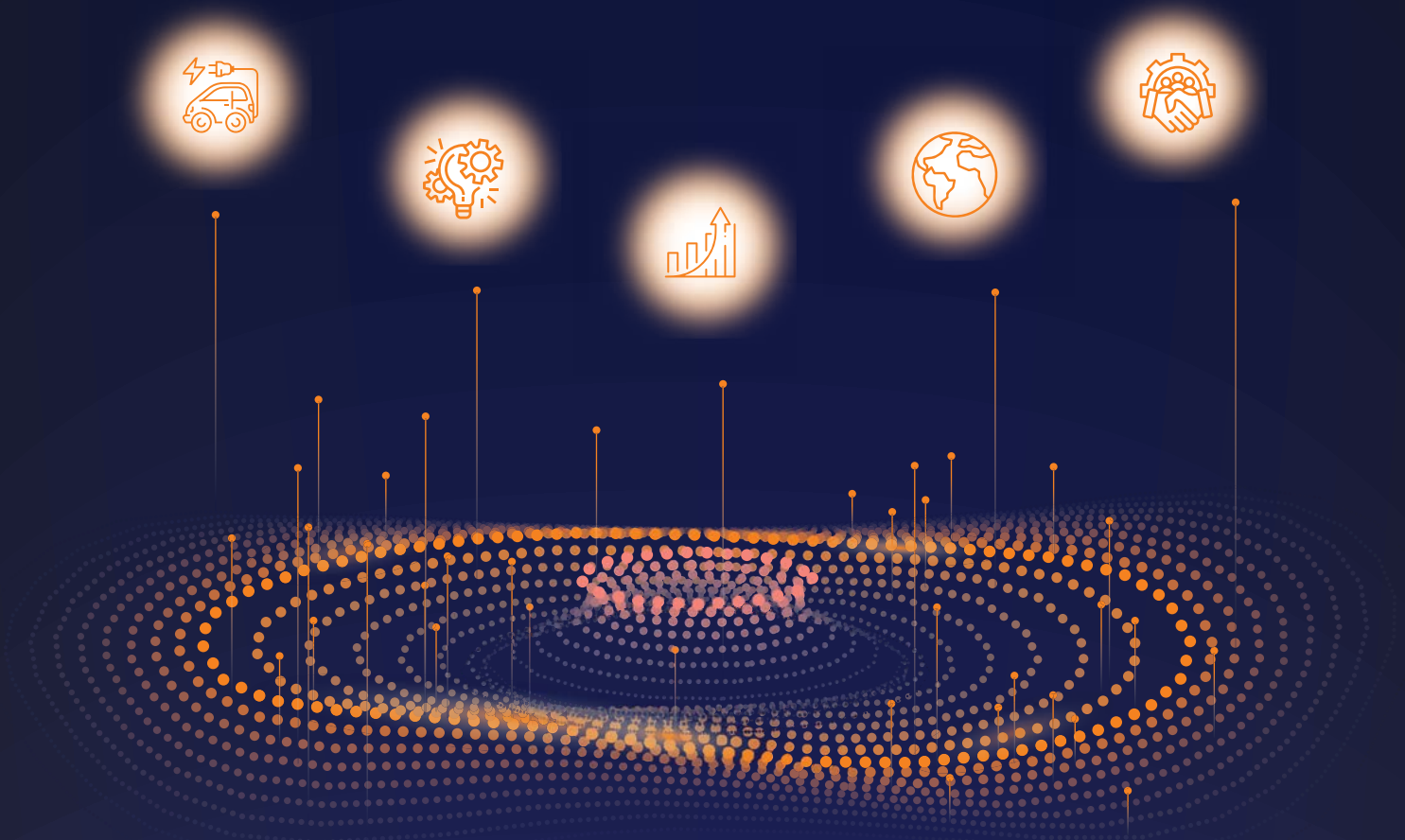
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Talbro Automotive Components Limited (Talbro), established in 1956, is recognised as one of the most diversified and reputable entities in the auto component industry, boasting an impressive track record. The Company has forged strong and mutually beneficial collaborations, as well as joint ventures, solidifying its position in the market. Armed with an extensive product portfolio, Talbro has successfully secured a strong order book from both domestic and international markets, leveraging its exceptional service-providing capabilities.

As the automotive landscape shifts towards the new-age EV industries, Talbro is dedicated to strengthening its business in this emerging sector. With a firm commitment to its vision

of becoming a global leader in automotive components manufacturing, the Company is continually celebrating its milestones, while relentlessly pursuing sustainable growth. Emphasising the importance of staying technologically ahead, Talbro demonstrates progress on a recurring basis.

Beyond the realm of EVs, the Company is actively seeking opportunities and orders from non-automotive segments, showing its readiness to adapt and diversify its offerings to meet evolving market demands. With a focus on relevant and future-oriented services, Talbro is poised to remain at the forefront of the automotive industry, embracing innovation and contributing to the transformation of the mobility landscape.



# About the Company

Boasting an impressive 66-year history in automotive components manufacturing, Talbros Automotive Components Limited (hereinafter referred to as 'TACL' or 'the Company') holds a prominent position within the industry. TACL offers an extensive range of products covering Two-Wheelers, Passenger Vehicles, Commercial Vehicles, and Farm Equipment's Auto Components. The Company's diverse portfolio includes Forgings, Gaskets, Heat Shields, and Chassis, and its strategic alliances with global leaders have enabled the Company to further broaden its product offerings. This strategic approach allows TACL to effectively cater to a wide array of automotive segments, enhancing its standing in the market.

## VISION

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

## MISSION

### Gasket

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

### Forging

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

## Our Key Competencies



Global Synergies



State-of-the-Art Infrastructure



Wide Geographical Footprint



Cutting-edge Innovation



Large Customer Base



People Expertise



Foraying into EV Segment



Diversified Product Suite



Product Ready for Next  
Emission Norms



## Corporate Highlights

### 66+ Years

of Experience in Auto Component Manufacturing

### 30+ Clientele

of Original Equipment Manufacturers across Globe

### 3 Joint Ventures

As International Technology Tie-ups

### 50+ Years

of Consistent Dividend Pay-out History

## Plant Locations

### Gaskets

- » Faridabad, Haryana (Plant and R&D Centre)
- » Pune, Maharashtra
- » Sitarganj, Uttarakhand

### Forging

- » Bawal, Haryana

### Nippon Leakless Talbros Private Limited

- » Bawal, Haryana
- » Haridwar, Uttarakhand

### Marelli Talbros Chassis Systems Private Limited

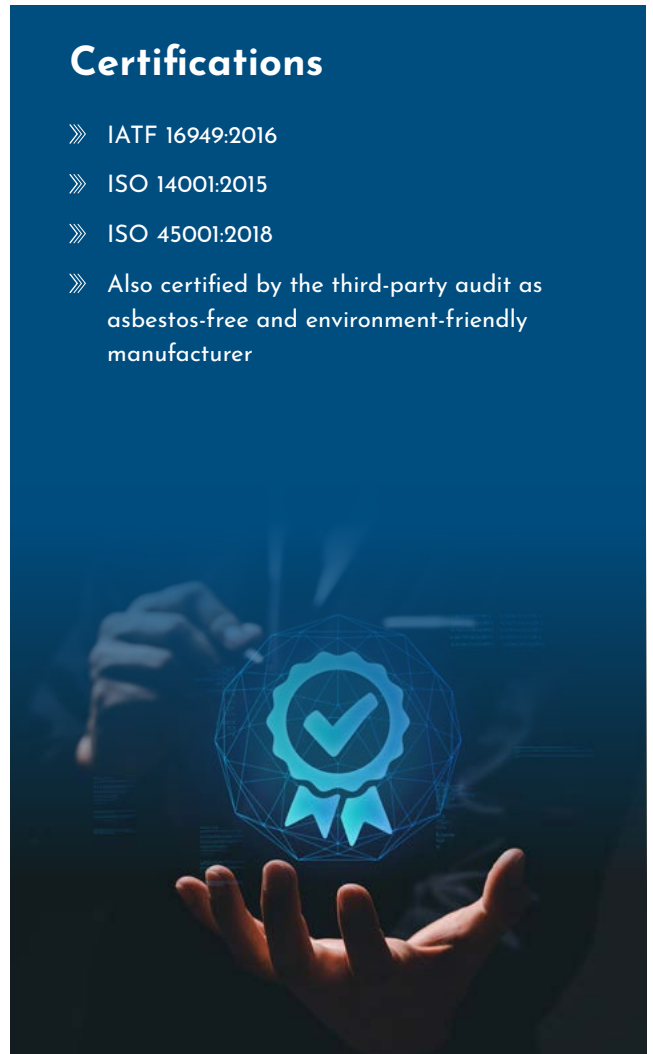
- » Faridabad, Haryana
- » Manesar, Haryana
- » Pune, Maharashtra

### Talbros Marugo Rubber Private Limited

- » Bawal, Haryana

## Certifications

- » IATF 16949:2016
- » ISO 14001:2015
- » ISO 45001:2018
- » Also certified by the third-party audit as asbestos-free and environment-friendly manufacturer



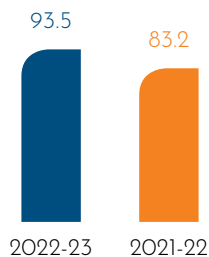
# Financial Highlights

## Consolidated Performance Highlights for 2022-23

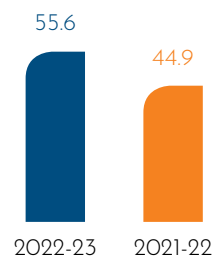
Total Income (₹ Crores)



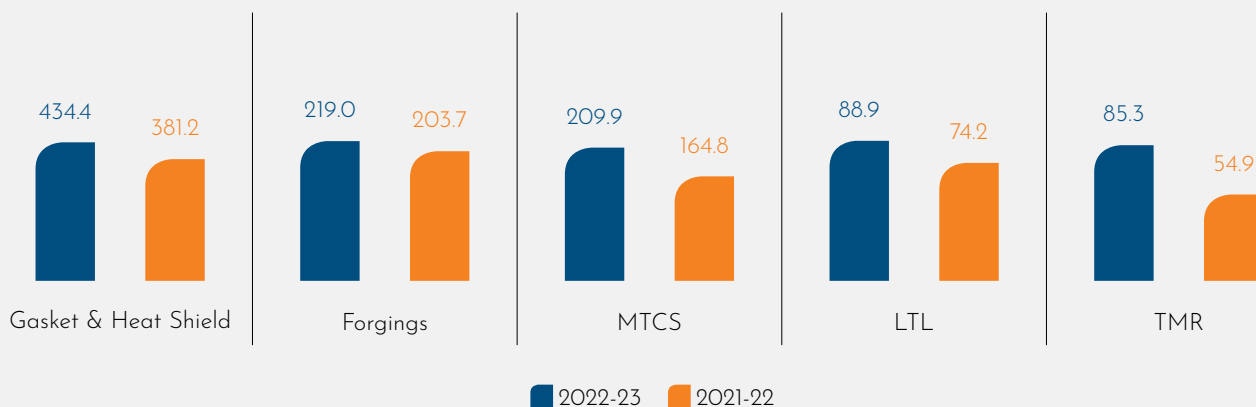
EBITDA (₹ in Crores)



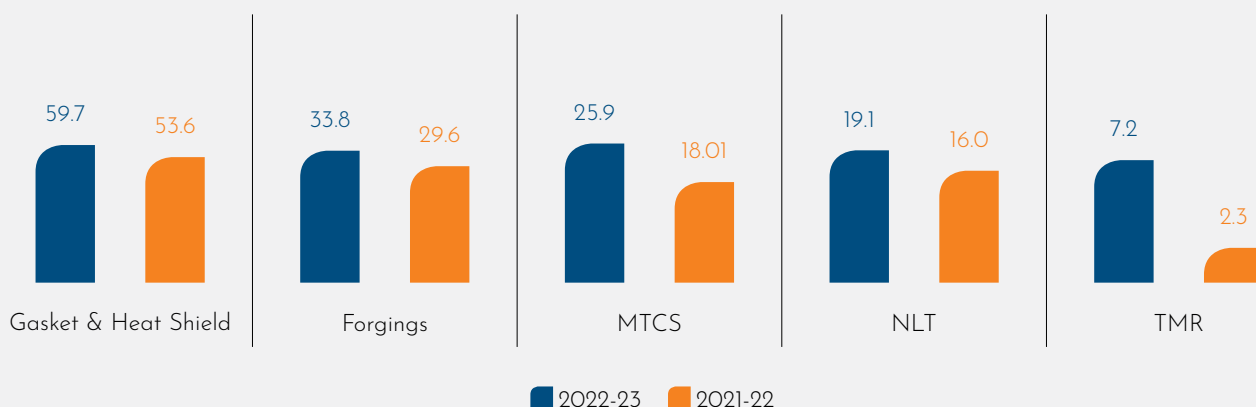
Profit After Tax (₹ in Crores)



Total Income (₹ in Crores)

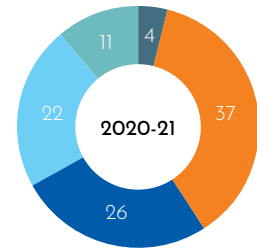
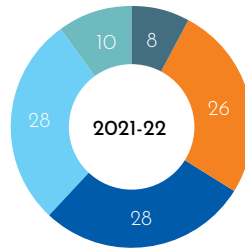
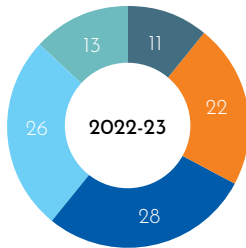


EBIDTA (₹ in Crores)



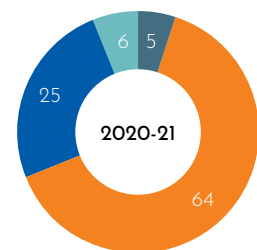
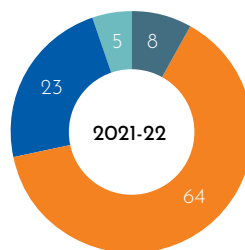
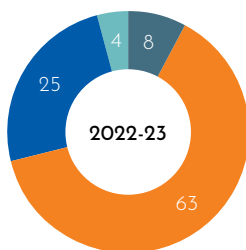
## Across Varied Segments

Domestic Breakup



Two & Three-Wheelers Passenger Vehicles HCVs & LCVs Agri & Off Loaders Others

Type of Market



OEM Exports After Market Others

**16.5%\***

ROE

**16.6%\***

RoCE

**0.24\***

Debt Equity

## Hedged Portfolio

Revenue Contribution - 2022-23

**5%\***

TMR

**4%\***

NLK

**13%\***

MTCS

**26%\***

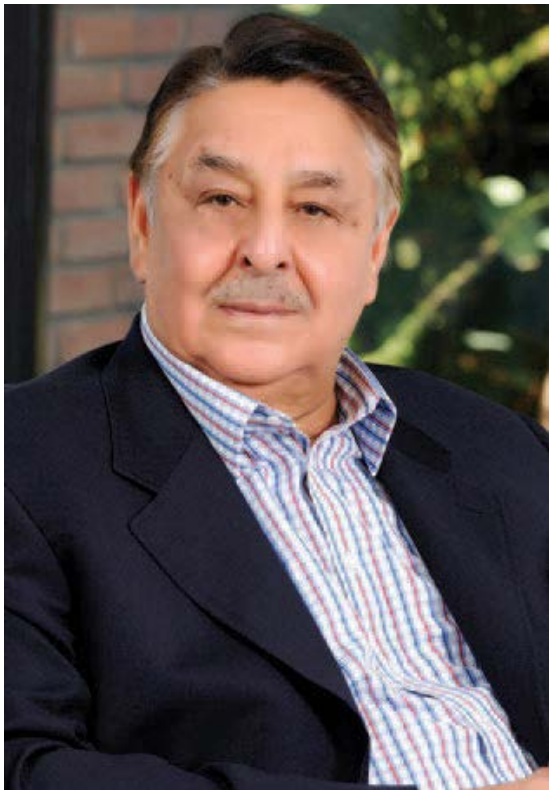
Forgings

**52%\***

Gaskets & Heat Shields

\*Approximately

# Chairman's Message



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Despite facing several challenges, including increased raw material prices, semiconductor shortages, and supply chain disruptions, we have successfully navigated the headwinds and achieved robust financial results.

## Dear Stakeholders,

I am delighted to present our annual report, encapsulating Talbros Automotive Components Limited's journey throughout 2022-23. It fills me with immense pride to share our Company's achievements and future outlook with you.

## Macroeconomic Landscape

As we stand at the midpoint of 2023, the world continues to grapple with uncertain conditions, in contrast to the current favourable equilibrium being experienced in India's economic milieu. The recent substantial growth in GDP during the fourth quarter drove the overall growth to an impressive 7.2% in 2022-23, exceeding previous projections by 200 basis points as reported by the Ministry of Statistics and Programme Implementation (MoSPI). It is noteworthy that both consumption and investment trends have not only recovered from the aftermath of the Covid-19 pandemic but have also outperformed the levels seen before the pandemic, as emphasised in the May 2023 Annual Economic Review by the Department of Economic Affairs.

(Source: <https://www2.deloitte.com/in/en/pages/about-deloitte/articles/India-economic-outlook-april-2023.html>, [https://www.mospi.gov.in/sites/default/files/press\\_release/PressNoteQ4\\_FY2022-23\\_31may23.pdf](https://www.mospi.gov.in/sites/default/files/press_release/PressNoteQ4_FY2022-23_31may23.pdf))

## Industrial Overview

The automotive sector is undergoing a substantial shift driven by the significant transition from internal combustion engines to electronic vehicles (EVs). Concurrently, the Indian automobile industry is presently in a transformative phase, offering customers new powertrain technologies such as electrified, bio-fuel, and gaseous-fuel propelled vehicles. This evolution is facilitated by effective governmental policies. The industry has witnessed a notable upswing in both production and sales where the industry statistics revealed a total production of 25.9 mn vehicles from April 2022 to March 2023, in contrast to 23 mn units the previous year. Analysing sales data, the Society of Indian Automobile Manufacturers (SIAM) reported a 13.5% growth in vehicle sales in May 2023. Moreover, the emerging segment of electric vehicles exhibited remarkable growth in 2022-23. India achieved sales of over one million electric vehicles, encompassing e-buses, e-cars, e-three-wheelers, and e-two-wheelers. This surge has unleashed a plethora of opportunities for players in the auto component market.

## Operational Highlights

Our focus on operational excellence is yielding exceptional results. We take immense pride in the introduction of a dedicated heat shield line, a critical component for heat, sound, and vibration insulation in engines. Moreover, our strategic collaboration with **Sanwa Packing**, a renowned Japanese company, has opened new avenues for us to develop lightweight aluminium heat shields used in cutting-edge automotive applications, particularly in the PV segment. This product holds significant promise for Original Equipment Manufacturers (OEMs) in building **BS-VI** compliant products, further reinforcing our position in the market. We have also embarked on a journey to develop components for **electric vehicles**, aligning ourselves with the industry's transition towards a **sustainable and eco-friendly future**.

## Our Partnership with other Companies

Our Gasket business, in collaboration with our partner Sanwa Japan, proudly introduced the advanced Heat Shield line, catering to all vehicle categories, including Two Wheelers, Passenger Vehicles, LCVs, HCVs, Commercial Vehicles, off-road vehicles, and Agri Equipment. Holding single source status with major clients like Cummins, Bajaj Auto Limited, John Deere, Volvo-Eicher, Honda, and Hero MotoCorp, our Gasket and Heat Shield division is a crucial supplier. Exports have expanded to global OEMs and Tier 1 companies such as Cummins, Volvo, John Deere, and Mahle.

The Forgings division accounted for 26% of total revenue, achieving ₹ 219.00 Crores with 7% growth in the fiscal year. This segment thrives in international markets and serves as a reliable supplier to leading Tier 1 companies. The Forgings business offers comprehensive solutions, including Die Design, Machine parts, and Heat treatment. A strategic shift towards larger and intricate forged components is underway.

Nippon Leakless Talbros Private Limited (LTL), our JV company, achieved ₹ 88.9 Crores in total income for 2022-23, a 19% increase from the previous year. With strong partnerships with Honda and Hero Motors Corporation, LTL is a leader in two-wheeler automotive gasket manufacturing in India.

Marelli Talbros Chassis Systems showcased impressive financial performance, attaining ₹ 209.9 Crores in 2022-23, a 27% YoY growth. EBITDA reached ₹ 25.9 Crores, a

43% increase. The Company envisions a CAGR of about 35% by 2026-27, focussing on improved EBITDA margins and export expansion.

Talbros Marugo Rubber Private Limited (TMR) achieved total income of ₹ 85.3 Crores in 2022-23, growing by 55% from the previous year. TMR's capabilities have garnered more orders from domestic and overseas OEMs. Certified with IATF 16949, ISO 14001, and ISO 45001, TMR focusses on innovative anti-vibration products and hoses while maintaining operational excellence for sustained industry differentiation.

## Consolidated Financial Performance

During the fiscal year 2022-23, the TACL Group achieved exceptional financial performance, attaining a record turnover exceeding ₹ 1,000 Crores for the first time. The significant contribution of around ₹ 90 Crores from the heat shield business was driven by strong market demand. Our exports also made substantial progress, comprising about 22% of total revenues, a substantial increase from previous years. We aim to raise this proportion to at least 35% by 2026-27, strengthening our global presence. The diversification of our segments is evident, with the PV segment projected to reach around 11% by 2026-27, demonstrating our adaptive approach. Looking ahead, the gasket and heat business anticipates a 13% CAGR in revenue over the next four years, while the forgings business foresees an impressive 23% CAGR by 2027, highlighting our strong market position and lasting customer trust.

## Outlook

We're resolutely forward-looking, aiming for operational excellence, enhanced product quality, expanded customer reach, and global growth. Diversification will bolster us for evolving market demands. To our shareholders, customers, partners, and dedicated employees, we extend heartfelt gratitude for being the cornerstone of our success, showcasing unwavering support and resilience. With your ongoing backing, we're confident in achieving greater growth and value creation ahead.

With warm regards,

**Naresh Talwar**

Chairman, Talbros Automotive Components Limited

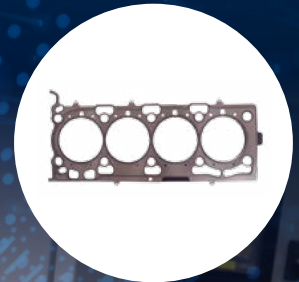
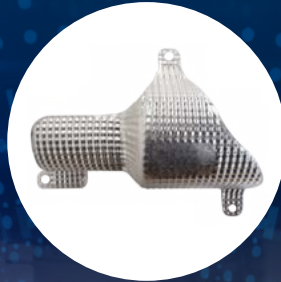
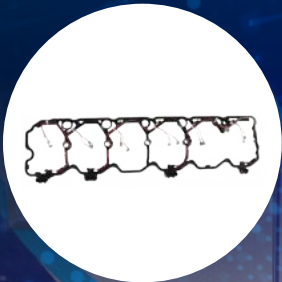


# Business Review

## Gasket Division

Talbros Automotive Components Limited has emerged as India's leading gasket manufacturer, in the country, in collaboration with JV partner Nippon Leakless. The Company has introduced the innovative heat shield product line in partnership with Sanwa Japan. With a presence across all automotive segments, including two-wheelers, passenger vehicles, LCVs, HCVs, commercial vehicles, off-road vehicles, and agri equipment, TACL's gasket and heat shield division serves as a key supplier to major customers like Cummins, Bajaj Auto Limited, John Deere, Volvo-Eicher, Honda, and Hero MotoCorp. The Company is actively

expanding into new geographies, targeting LCV, HCV, industrial, and EV segments, leveraging its technological prowess to meet evolving market needs. Additionally, TACL is developing new-generation heat shields to comply with thermal and NVH regulations, meeting the demands of post BS VI engines. The Company's commitment to quality, competitive pricing, and proactive product development has earned it the 'Category Partner' status and performance awards from esteemed customers like Cummins, Tata Motors, KOEL, and JLR.







## Key Highlights of 2022-23

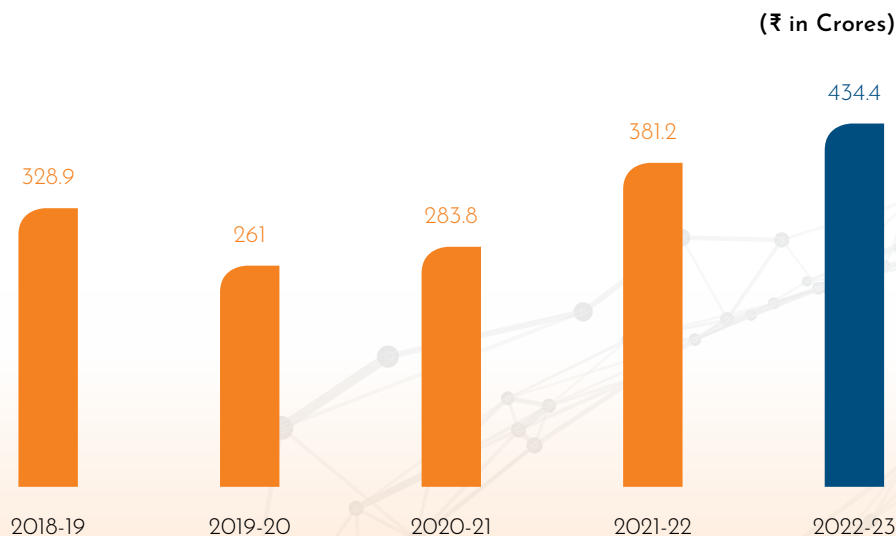
- » Continues to maintain substantial market share with prominent OEM's
- » Leads the market in two-wheelers, agri off loaders, and HCV/LCV segments
- » Serves as the sole supplier for five key customers
- » Secured an exclusive contract with Sanwa for lightweight aluminium heat shields, an advanced technology used in automotive applications, especially in the PV segment, catering to new generation engines, including hybrid and EVs. These Heat shields provide value-added features like noise reduction, emission control, and heat insulation at challenging temperatures



## Diversified Product Range

- » Multi-layer Steel Gaskets
- » Gaskets with Electrical Control
- » Post Coated/Selective Area Coated Gaskets
- » Exhaust/Hot Gaskets
- » Rubber/Edge Molded Gaskets
- » Fiber Gaskets
- » Heat Shields

## Total Income from Gasket Division



**₹ 434.4 Crores**

Total Income

**₹ 59.7 Crores**

EBIDTA

**50%**

Indian Market Share

## Forging Division

Talbro Automotive Components Limited, leveraging its distinguished journey, has emerged as a recognised manufacturer and exporter of precision machined components, bolstered by its in-house forging facility. The Company's clientele spans the automotive, agriculture, and off-highway industries. It has garnered accolades from prestigious entities such as JLRQ, BMW, and Dana, in recognition of its commitment to quality, scalability, and global supply.

In Bawal, TACL's state-of-the-art forging plant exhibits top-notch tooling design, manufacturing, forging, heat treatment, and machining capabilities. With a forging capacity of 21,000 metric tonnes and the ability to craft parts ranging from 150 grams to 15 kilograms, the Company possesses the advantage of end-to-end production under one roof, enhancing customer service and agility.

With a growing emphasis on exports and geographic expansion, TACL has increased its export share from 47% to 51% since 2018. The disruptions brought by Covid-19 pandemic enabled the Company to seize supply chain opportunities and enhance its export business. It strategises to leverage the global demand and infrastructure growth, particularly focussing on the commercial vehicle and off-highway segments. This entails expanding capabilities for crafting heavier components, aligning with confirmed orders and business projections. As part of TACL's growth trajectory, the Company is incorporating ring rolling and material gathering forging processes, driven by orders from its customers.





## Key Highlights of 2022-23

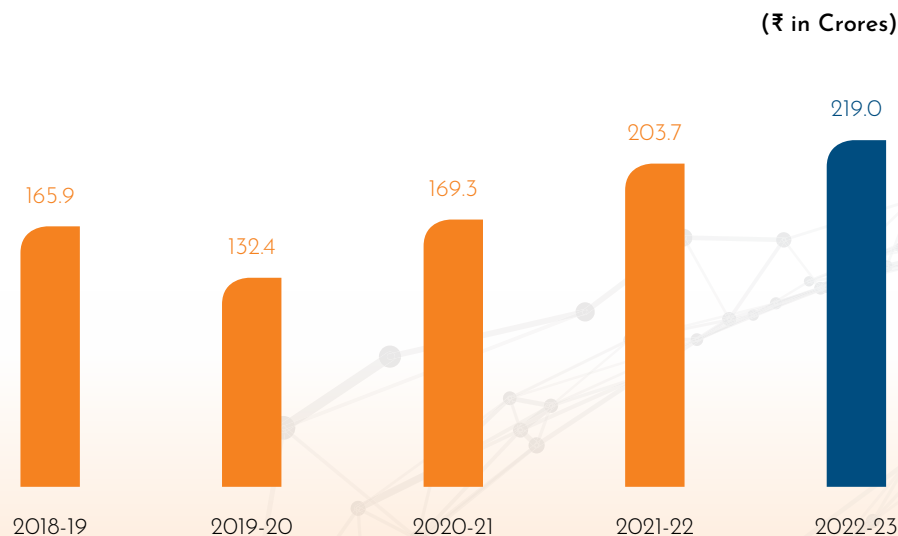
- » Secured new business amounting to ₹ 10.16 Crores in the first quarter of 2022-23
- » Cultivated a fresh partnership with a global off-highway customer
- » Attained successful SOP for off-highway components
- » Bolstered machining capacity through the incorporation of 15 machining centres, with an additional 25 centres in the pipeline
- » Extended presence to North America
- » Widened footprint further by partnering with some of the largest domestic OEMs



## Diversified Product Range

- » Introducing Towing Solutions
- » Innovating Intermediate Shaft & Differential Housing
- » Crafting Hydraulic End Caps and Rod Eyes
- » Manufacturing Blank Ring Gears
- » Developing Companion Flanges
- » Engineering King Pins & Linear Cylinders
- » Producing Tube & Flange Yokes

## Total Income from Forging Division



**₹ 219.0 Crores**

Total Income

**₹ 33.8 Crores**

EBIDTA

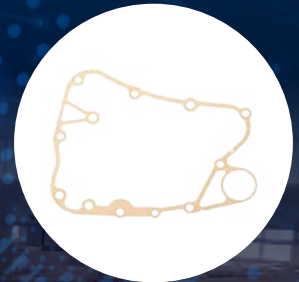


## Nippon Leakless Talbros Private Limited (LTL)

Incorporated in 2005, Nippon Leakless Talbros Private Limited (LTL) is a joint venture between Nippon Leakless Corporation (NLK) Japan and Talbros Automotive Components Limited (TACL) India. NLK is a well-known supplier of gaskets and packaging to top OEMs and two-wheeler manufacturers.

With a global manufacturing base in 10+ countries, Nippon Leakless Corporation has been a pioneer in using steel for cylinder head gaskets and holds numerous global patents. Last year, LTL generated total income of ₹ 88.9 Crores, achieving an 18% growth compared to the previous fiscal year.

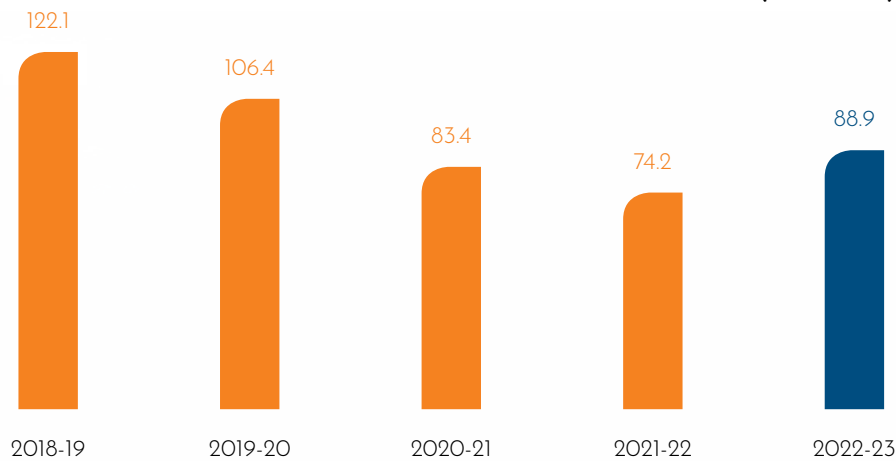
The company has optimised its supply chain and manufacturing processes, leading to improved gross margins. LTL has established strong partnerships with Honda and Hero MotorCorp Ltd. catering to their specific requirements as a dedicated supplier. The company has been recognised by various OEMs like Hero, Toyota, and MSIL, receiving performance awards for its commitment to excellence, quality, and consistent delivery.





## Total Income

(₹ in Crores)



**₹ 88.9 Crores**

Total Income in 2022-23

**₹ 35.6 Crores**

Talbro's Share in 2022-23

**₹ 11.8 Crores**

PAT in 2022-23





## Marelli Talbros Chassis Systems Private Limited (MTCS)

Talbros Automotive Components Limited partnered strategically with Marelli Suspension Systems S.P.A., Italy (formerly known as Sistemi Sospensioni SPA, Italy), to establish the joint venture, Marelli Talbros Chassis Systems Private Limited (MTCS), in 2012 (formerly known as Magneti Marelli Talbros Chassis Systems Private Limited). This collaboration has enabled MTCS to develop and manufacture a range of chassis components for automotive applications, including control arms, suspension links, front cross member, rear twist-beam axle, cradle, wheel group, and semi corner module assemblies. The JV has emerged as the preferred source for chassis and body-in-white components for top OEMs in India. The Company

has expanded its product portfolio and has also acquired several orders for EV components.

The JV is committed to achieve its ESG objectives and has started using solar power of 320 KWP, with a target to increase utilization in coming years, and has been undertaking afforestation drives to reduce carbon footprints.

MTCS achieved an all time high revenue of ₹ 209.9 Crores, recording significant growth and increased EBITDA. With a focus on exports and expansion in the EV segment, MTCS aims to achieve substantial revenue growth and improve its EBITDA margin profile by 2026-27.







## Key Highlights of 2022-23

- » Expanded the capacity of the Pune plant to meet the increasing demand from Tata Motors PV and Jaguar Land Rover, UK
- » Secured new orders from existing customers for the development of next-generation ICE and EV vehicles
- » Successfully initiated production (SOP) of control arms for MSIL's premium SUVs, the Grand Vitara and Brezza
- » Diversified the body-in-white portfolio to cater to the needs of next-generation EVs for a global OEM
- » Broadened the product portfolio by collaborating with some of the largest domestic OEMs



## Diversified Product Range

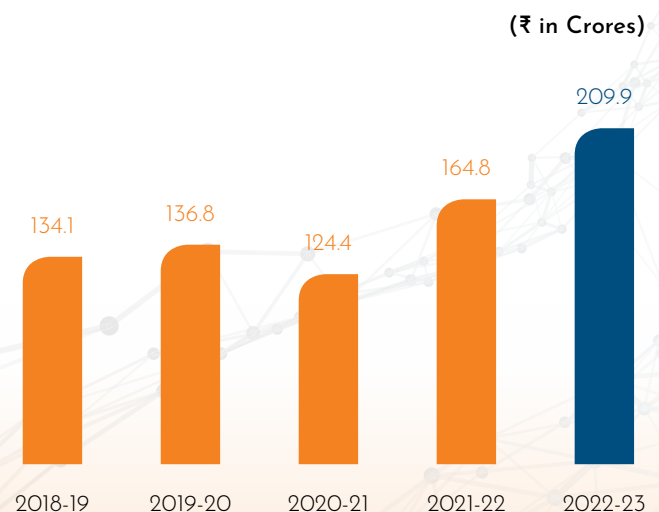
- » Suspension Lower Control Arms
- » Suspension Links
- » Front Sub Frames and Rear Twist Beam Axles
- » Front Cradle
- » Wheel Group and Semi Corner Module Assemblies
- » Body-in-White Parts & Assemblies in Steel & Aluminum



## Certifications

- » IATF 16949-QMS
- » ISO 9001-QMS
- » ISO 14001-EMS
- » ISO 50001-EnMS
- » ISO 45001-OHSAS

## Total Income



**₹ 209.9 Crores**

Total Income in 2022-23

**₹ 104.9 Crores**

Talbro's Share in 2022-23

**₹ 11.5 Crores**

PAT in 2022-23

## Talbros Marugo Rubber Private Limited (TMR)

Established in 2013, Talbros Marugo Rubber embarked on its journey by focussing on the production of innovative and high-quality anti-vibration rubber molded products for passenger cars. With a share exceeding 90% in the mounting muffler and hanger business for Maruti Suzuki, Talbros Marugo expanded its product offerings in 2015, establishing an additional plant for extruded hoses. Impressively, within a single year, the company achieved full localisation of all KD parts, garnering recognition for superior performance in focussed model cost reduction during 2014-15. The company's commitment to excellence is evident from the fact that it received consecutive 'Best Supplier' awards for overall performance from Maruti Suzuki India Limited in the years 2017-18 and 2018-19.

TMR's revenue growth has been consistently positive, with a remarkable surge in 2022-23, closing in at ₹ 85.3 Crores annually. This trend is projected to elevate significantly, reaching approximately ₹ 180 Crores within the next five years. This impressive expansion is attributable to the impact of the Government's implementation of the E20 fuel, resulting in substantial progress. Recognising the need to meet evolving market demand, TMR has strategically relocated its production facility from Manesar to Bawal in Haryana, facilitating an expansion of nearly 1.8 times the current area. This transition was accompanied by an investment of ₹7 Crores in machinery, for the commencement of the new plant in June 2023





## Key Highlights of 2022-23

- » Established a new plant in Bawal, enhancing production capacity significantly
- » Secured additional orders from our esteemed existing customer, India's major OEM, Maruti Suzuki
- » Successfully initiated production (SOP) of E20 fuel hoses for Maruti Suzuki, covering all models
- » Commenced SOP for the highly anticipated vehicle, MSIL-ZIMNY, contributing to our growth
- » Diversified portfolio by collaborating with some of the largest domestic OEMs in the industry



## Diversified Product Range

- » Introducing Mounting Muffler Hangers
- » Innovating Suspension Bushings
- » Crafting Body and Cab Mounts
- » Engineering Bushings for Leading & Trailing Arms
- » Manufacturing Extrusion Hoses for Air, Fuel, and Water
- » Developing Molded Hoses for Air Cleaners

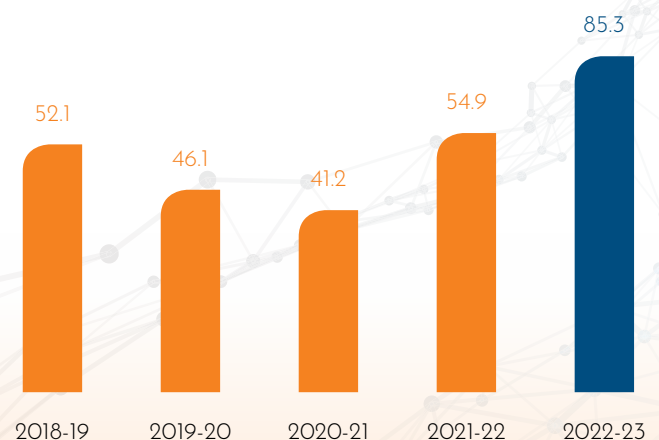


## Certifications

- » IATF 16949
- » ISO 9001
- » ISO 14001
- » ISO 45001

## Total Income

(₹ in Crores)



**₹ 85.3 Crores**

Total Income in 2022-23

**₹ 42.7 Crores**

Talbros Share in 2022-23

**₹ 2.8 Crores**

PAT in 2022-23

**TALBROS AUTOMOTIVE COMPONENTS LIMITED**

**CIN: L29199HR1956PLC033107**

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

Tel No.: 0129-2251482, Website: www.talbro.com, Email: seema\_narang@talbro.com

## NOTICE

**NOTICE** is hereby given that the 66th Annual General Meeting of the members of Talbros Automotive Components Limited will be held on **Monday, the 25<sup>th</sup> day of September, 2023 at 11.00 a.m. through video conferencing/ other audio visual means (VC/OAVM)** to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Audited Standalone and Consolidated Financial Statements.

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial year ended March 31, 2023 including Audited Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023 including the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon be and are hereby received, considered and adopted.”

#### 2. Confirmation of Interim Dividend.

To confirm the payment of Interim Dividend @ 10 % i.e. ₹ 1.00 per fully paid-up equity share of the Company for the financial year 2022-23 and in this regard pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Interim Dividend @ 10% i.e. ₹1.00 per fully paid-up equity share of the Company for the financial year 2022-23, as approved by the Board of Directors at their meeting held on February 08, 2023 and already paid to the shareholders, be and is hereby noted and confirmed.”

#### 3. Declaration of Final Dividend.

To declare Final Dividend @ 20 % i.e. ₹2.00 per fully paid-up equity share of the Company for the financial

year 2022-23, in addition to the Interim Dividend already paid and in this regard pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Final Dividend @ 20 % i.e. ₹2.00 per fully paid-up equity share of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year 2022-23 and be paid out of the profits of the Company.”

#### 4. Re-appointment of Mr. Navin Juneja as Director.

To re-appoint Mr. Navin Juneja (DIN: 00094520) as Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, if any (including any statutory modifications or re-enactments thereof) and the Articles of Association of the Company, Mr. Navin Juneja (DIN: 00094520) who retires by rotation and being eligible, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS:

#### 5. Re-appointment of Mr. Umesh Talwar, Vice Chairman & Managing Director of the Company.

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 provisions of Section 152, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded to the re-appointment of Mr. Umesh Talwar (DIN: 00059271) as Vice Chairman & Managing Director of the Company for a period of three years w.e.f. April 01, 2024 till

## Notice (Contd.)

March 31, 2027, not liable to retire by rotation and on terms and conditions and payment of monthly remuneration payable to him during the period of his continuance in the office of Vice Chairman and Managing Director of the Company as detailed hereunder:

### 1. Salary

Particulars	Monthly Remuneration (₹)
Basic Salary	8,47,000/-
House Rent Allowance	5,93,000/-
Other Allowances	75,000/-*
<b>Total Salary</b>	<b>15,15,000/-</b>

\*Other allowances include payments in the nature of medical reimbursement, club fee etc. upto the amount specified.

### 2. Perquisites & Allowances in addition to the above:

- Company's Contribution towards Superannuation and Provident Fund as per rules of the Company.
- Gratuity & other long term benefits as per Company Policy.
- Earned/ Privilege Leaves - As per rules of the Company. Leaves accumulated but not availed during the tenure may be allowed to be encashed at the end of the tenure.
- Car - Provision of a Chauffeur driven car for the business purposes of the Company & personal use.
- Telephone - Telephone facility at residence, personal long distance calls to be paid by Mr. Umesh Talwar.
- Such other benefits/ amenities and other privileges as may from time to time be available to other executives of the Company and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

### 3. Other Benefits:

- Reimbursement of entertainment expenses actually and properly incurred in course of the business of the Company.

- The expenses in connection with the spouse accompanying Vice Chairman & Managing Director while on business tours in India and abroad to be borne by the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary/ alter the designation of Mr. Umesh Talwar, Vice Chairman and Managing Director and/or the remuneration including payment of commission, if deemed fit, and/ or the terms and conditions in any manner within the permissible limits and from time to time as recommended by the Nomination & Remuneration Committee and deemed fit by the Board in its absolute discretion.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, the remuneration as set above be paid to Mr. Umesh Talwar as minimum remuneration, subject to necessary approval(s), as may be required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be usual, expedient or proper to give effect to the aforesaid resolution and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

### 6. Re-appointment of Mr. Anuj Talwar, Joint Managing Director of the Company.

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 provisions of Section 152, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded to



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the re-appointment of Mr. Anuj Talwar (DIN: 00628063) as Joint Managing Director of the Company for a period of three years w.e.f. August 14, 2024 till August 13, 2027, liable to retire by rotation and on terms and conditions and payment of monthly remuneration payable to him during the period of his continuance in the office of Joint Managing Director of the Company as detailed hereunder:

### 1. Salary

Particulars	Monthly Remuneration (₹)
Basic Salary	8,47,000/-
House Rent Allowance	5,93,000/-
Other Allowances	75,000/-*
<b>Total Salary</b>	<b>15,15,000/-</b>

\*Other allowances include payments in the nature of medical reimbursement, club fee etc. upto the amount specified.

### 2. Perquisites & Allowances in addition to the above:

- Company's Contribution towards Superannuation and Provident Fund as per rules of the Company.
- Gratuity & other long term benefits as per Company Policy.
- Earned/ Privilege Leaves - As per rules of the Company. Leaves accumulated but not availed during the tenure may be allowed to be encashed at the end of the tenure.
- Car- Provision of a Chauffeur driven car for the business purposes of the Company & personal use.
- Telephone- Telephone facility at residence, personal long distance calls to be paid by Mr. Anuj Talwar.
- Such other benefits/ amenities and other privileges as may from time to time be available to other executives of the Company and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

### 3. Other Benefits:

- Reimbursement of entertainment expenses actually and properly incurred in course of the business of the Company.
- The expenses in connection with the spouse accompanying the Joint Managing Director while on business tours in India and abroad to be borne by the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary/ alter the designation of Mr. Anuj Talwar, Vice Chairman and Managing Director and/or the remuneration including payment of commission, if deemed fit, and/ or the terms and conditions within the permissible limits and from time to time as recommended by the Nomination & Remuneration Committee and deemed fit by the Board in its absolute discretion.

**RESOLVED FURTHER THAT** in the absence or inadequacy of profits in any financial year, the remuneration as set above be paid to Mr. Anuj Talwar as minimum remuneration, subject to necessary approval(s), as may be required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be usual, expedient or proper to give effect to the aforesaid resolution and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

### 7. Re- appointment and continuation of Mrs. Priyanka Gulati (DIN: 07087707) as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2023

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



## Notice (Contd.)

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification (s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mrs. Priyanka Gulati (DIN: 07087707), who has submitted a declaration to the effect that she meets the criteria for independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office for a second term of five years commencing with effect from September 25, 2023 to September 24, 2028 not liable to retire by rotation.”

### 8. Approval of material related party transactions with M/s QH Talbros Private Limited for Sale/Purchase of Company’s products

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 provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into and/or carrying out and/or continuing with contracts/arrangements/transactions with M/s QH Talbros Private Limited, a related party, for Sale/Purchase of Company’s products including but not limited to Gaskets, Forgings and other Auto Parts upto maximum amount of ₹95.00 Crores during FY 2023-24.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds or things as may be necessary to give effect to the above resolution including modification in the Agreement with

M/s QH Talbros Private Limited as approved by members in 64th AGM.”

### 9. Approval of an Agreement and transactions with related party M/s. Talbros Indiparts Private Limited for sale of Company’s products in the aftermarket for a period of three years

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 provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement for carrying out and/or continuing with contracts/arrangements/transactions with M/s. Talbros Indiparts Private Limited for a period of three years with effect from April 01, 2024 to March 31, 2027 for sale of Company’s products in the aftermarket for a maximum amount of ₹ 60 Crores in one financial year on the terms and conditions as mentioned in the Agreement.

**RESOLVED FURTHER THAT** pursuant to all applicable statutory provisions as aforesaid approval of the Members of Company be and is hereby also accorded to the Board of Directors of the Company to enter into and/or continuing with contracts/arrangements/transactions with M/s. Talbros Indiparts Private Limited, a related party, for Sale of Company’s products in the aftermarket for a maximum amount of ₹ 60 Crores during FY 2023-24.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide the terms and conditions of the agreement and to do all such acts, deeds or things as may be necessary to give effect to the above resolution and to modify any terms of the Agreement without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

## Notice (Contd.)

### 10. Remuneration of Cost Auditors

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 provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration payable to M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 amounting to ₹ 1.75 Lacs exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds or things as may be necessary to give effect to the above resolution.”

### 11. Approval of sub-division/split of equity shares of the Company

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 provisions of Sections 61(l)(d) and other applicable provisions of the Companies Act, 2013 (“Act”) (if any), read with relevant Rules made

thereunder, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), in accordance with the Articles of Association of the Company and subject to receipt of such other approvals, consents and permissions as may be required from concerned statutory authorities and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals and on recommendation of the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall include any Committee of the Board of Directors), approval of the Members of the Company be and is hereby accorded for subdivision/split of the existing equity shares of the Company, such that 1 (One) equity share having face value of ₹ 10/- (Rupees Ten only) each fully paid up, be sub-divided/split into 5 (Five) equity shares having face value of ₹ 2/- (Rupees Two only) each fully paid-up, ranking pari-passu with each other in all respects with effect from the Record Date.

**RESOLVED FURTHER THAT** the Record Date for the sub-division/split of existing equity shares shall be decided by the Board post approval of the shareholders and will be intimated to the Exchanges in due course.

**RESOLVED FURTHER THAT** pursuant to the sub-division/split of equity shares of the Company, all the equity shares of face value of ₹ 10/- (Rupees Ten only) each consisting in the Authorised equity share capital existing on the Record Date, shall stand sub-divided/split as follows:

Type of Capital	Pre sub-division/split			Post sub-division/split		
	No. of Equity Shares	Face Value (₹)	Total Equity Share Capital (₹)	No. of Equity Shares	Face Value (₹)	Total Equity Share Capital (₹)
Authorised Equity Share Capital	2,00,00,000	10/-	20,00,00,000	10,00,00,000	2/-	20,00,00,000

**RESOLVED FURTHER THAT** pursuant to the sub-division/split of equity shares of the Company, all the equity shares of face value of ₹ 10/- (Rupees Ten only) each fully paid-up consisting in the Issued, Subscribed and Paid up equity share capital existing on the Record Date, shall stand sub-divided/split as follows:

Type of Capital	Pre sub-division/split			Post sub-division/split		
	No. of Equity Shares	Face Value (₹)	Total Equity Share Capital (₹)	No. of Equity Shares	Face Value (₹)	Total Equity Share Capital (₹)
Issued, Subscribed and Paid-up Equity Share Capital	1,23,45,630	10/-	12,34,56,300	6,17,28,150	2/-	12,34,56,300

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**RESOLVED FURTHER THAT** upon sub-division/split of equity shares as aforesaid and with effect from the Record Date:

- (a) for the equity shares held in physical form, the existing share certificate(s) in relation to the said equity shares, shall be deemed to have been automatically cancelled and shall be of no effect and the Board, without requiring the Members to surrender their existing share certificate(s), shall credit such sub-divided/split Equity Shares to the Demat Suspense Account of the Company and on providing the details of Demat account, such sub-divided/ split Equity Shares shall be credited proportionately to the concerned Demat account of the shareholder, in terms of applicable regulations, rules, guidelines and Circulars as may be issued from time to time in this regard; and
- (b) for the equity shares held in dematerialised form, the sub-divided/split equity shares shall be credited proportionately into the respective beneficiary demat account(s) of the Members held with their depository participants, in lieu of the existing credits present in their respective beneficiary demat accounts.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things to give such directions as they may in their absolute discretion deem necessary, proper or desirable to settle any question, difficulty that may arise with regard to the sub-division/split of the equity shares as aforesaid and to undertake such corporate actions as may be necessary and to carry out/execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Registrar of Companies, Stock Exchanges, Depositories and other appropriate authorities in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members.”

### 12. Approval of alteration of Capital Clause of the Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions of the Companies Act, 2013 (if any), read with relevant Rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), the Articles of Association of the Company and subject to receipt of such other approvals, consents and permissions as may be required from concerned statutory authorities and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals and on recommendation of the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall include any Committee of the Board of Directors), approval of the Members of the Company be and is hereby accorded to delete the existing Clause 5 of the Memorandum of Association of the Company in entirety and substituted with the following Clause 5:

“5. The Authorised Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of face value of ₹ 2/- (Rupees Two) each.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, difficulty that may arise and to carry out/execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including execution and filing of all the relevant documents with the Statutory/regulatory and other appropriate authorities, in due compliance of the applicable rules and regulations, without seeking any further consent or approval of the Members.”

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

Place: Gurugram  
Date: August 08, 2023

Sd/-  
**Seema Narang  
Company Secretary**

## Notice (Contd.)

### NOTES:

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

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

2. **In accordance with the General Circular No. 20/2020 dated May 05, 2020, read with the circulars dated April 08, 2020, April 13, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 issued by the Ministry of Corporate Affairs (MCA) and in accordance with the Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India providing relaxations to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations, collectively "Applicable Circulars"), the Annual General Meeting (AGM) will be conducted through video conferencing/other audio visual means (VC/OAVM). Members can attend and participate in the 66th AGM through VC/OAVM. The deemed venue for the AGM will be the Registered Office of the Company and the physical attendance of the members at a common venue has been dispensed with.**

**ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO NOTICE OF THE 66H AGM.**

3. Institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com).

4. a) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website "<http://www.evoting.nsdl.com>" under the 'Downloads Section'. You can also contact NSDL at 022 - 4886 7000 and 022 - 2499 7000 or Ms. Snehal Bham, Assistant Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will address the grievances related to electronic voting.
- b) The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in these notes. The facility of participation at the AGM through VC/OAVM will be made available for maximum of 1000 members on first come first served basis. However, this will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and December 28, 2022, 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well

## Notice (Contd.)

as venue voting on the date of the AGM will be provided by NSDL.

7. In accordance with the aforesaid MCA Circulars, the Notice of the AGM along with the 66th Annual Report of the Company are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Notice of the AGM along with the 66th Annual Report to those Members who request the same at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) mentioning their Folio No. / DP ID and Client ID. The Notice convening the 66th AGM along with the 66th Annual Report will also be available on the website of the Company at [www.talbros.com](http://www.talbros.com), websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
8. **Members may also note that the Notice of the AGM and the Annual Report are available on the website of the Company [www.talbros.com](http://www.talbros.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com)**
9. **Members desiring any information relating to the annual accounts or any document pertaining to the explanatory statement are requested to send an email to the Company at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) at least ten (10) days before the AGM.**
10. **The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 18, 2023 to Monday, September 25, 2023 (both days inclusive) for the purpose of 66th Annual General Meeting and for determining entitlement of Members to final dividend for the financial year ended March 31, 2023 as approved at the 66th AGM.**
11. Subject to the provisions of Section 123 of the Act, Final Dividend as recommended by the Board of Directors, if declared at the AGM will be paid to the Members on the basis of the details of beneficial ownership furnished by the Depositories, as at the close of Saturday, September 16, 2023 and in respect of shares held in physical form to those members whose names will appear in the Register

of Members of the Company, after giving effect to valid transmission and transposition requests lodged with the Company, as on close of Saturday, September 16, 2023.

12. In terms of the provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 01, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.

**For resident members:** Tax will be deducted at source ("TDS") under Section 194 of the Act (read with Press Release dated May 13, 2020) @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY does not exceed ₹ 5,000/-.

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

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

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

- Insurance companies: A declaration that they are beneficial owners of shares held.
- Mutual Funds: A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
- Alternative Investment Fund (AIF) established in India: A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- New Pension System Trust: A declaration that they are governed by the provisions of Section 10(44)



## Notice (Contd.)

[subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).

- **Corporation established by or under a Central Act;** which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.
- **For non-resident members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:
  - i) Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;
  - ii) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;
  - iii) Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
  - iv) Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
  - v) Self-declaration of beneficial ownership by the non-resident member.

The documents referred to in point nos. (iii) to (v) can be downloaded from the website of the RTA viz. Tax Exemption Forms Registration (kfintech.com)

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors

may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

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

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

**To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than Saturday, September 09, 2023.**

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

- NIL for resident members receiving dividend up to ₹ 5,000/- or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN is submitted.
- 10% for resident members in case PAN is provided / available.
- 20% for resident members, if PAN is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.

Kindly note that the aforementioned documents should be sent through e-mail to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) and [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com).



## Notice (Contd.)

### **No communication on the tax determination / deduction shall be entertained after September 09, 2023.**

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

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

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

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

**Shares held in physical form:** Members are requested to send the following details/documents to the Company's Registrars and Transfer Agent ('RTA'), M/s KFIN Technologies Limited by **Saturday, September 16, 2023:**

- a) Form ISR-1 along with supporting documents. The said form is available on website of the RTA at [http://karisma.kfintech.com/downloads/2Form\\_ISR-1.pdf](http://karisma.kfintech.com/downloads/2Form_ISR-1.pdf)
- b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:
  - i. Cancelled cheque in original, or
  - ii. Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address,

same bank account number and type as on the cheque leaf and full address of the bank branch

- iii. Self-attested copy of the PAN Card of all the holders; and Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

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

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

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

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

## Notice (Contd.)

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

<b>Company Address:</b>	<b>RTA Address:</b>
Company Secretary & Compliance Officer Talbro's Automotive Components Limited 14/1, Delhi Mathura Road, Faridabad -121003 Tel: +91-129- 2251456/ 2251482 Email: <a href="mailto:seema.narang@talbros.com">seema.narang@talbros.com</a>	<b>M/s KFIN Technologies Limited,</b> Unit: Talbro's Automotive Components Limited, Karvy Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Hyderabad 500 008, India Email: <a href="mailto:rajeev.kr@kfintech.com">rajeev.kr@kfintech.com</a>

14. Register of contracts or arrangements in which directors are interested will be available at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.
15. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.
16. Members may please note that the unclaimed dividend in respect of the FY 2015-16 must be claimed by the concerned members on or before September 15, 2023, failing which it will be transferred to the Investor Education & Protection Fund authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Members are requested to write to company/KFIN, for claiming unclaimed dividend.
17. Attention of the members is drawn to the provisions of Section 124(6) of the Act which requires a company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more in the name of IEPF Authority. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended,

the Company has intimated the shareholders whose shares are liable to be transferred in the name of IEPF Authority. Members are advised to visit the website of the Company [www.talbros.com](http://www.talbros.com) to ascertain such details.

18. Attention is seeking towards the SEBI Circular no. SEBI/HO/MIRSD-PoD-1/P/CIR/2023-37 dated March 16, 2023 w.r.t. the documents pertaining to the PAN, KYC details and nomination are not furnished by shareholders latest by September 30, 2023 then respective folio of the shareholder shall be frozen by the RTA on or after October 01, 2023 and the same shall be referred by the RTA/Company to the administering authority under the Benami Transactions (Prohibition) Act, 1988 and or Prevention of Money Laundering Act, 2002, If they continue to remain frozen as on December 31, 2025.

### 19. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER-

- a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).
- b) The members who have casted their vote by remote e-voting prior to the meeting may also participate in the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- c) The "cut-off" date for determining the eligibility for voting through remote electronic voting system is fixed as Monday, September 18, 2023. The voting rights of the shareholders shall be in proportion to their shares on the total paid-up equity share capital as on the cut-off date.
- d) Ms. Kiran Sharma, a practicing Company Secretary (Membership no. 4942), has been appointed as the scrutinizer to scrutinise the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.

## Notice (Contd.)

- e) The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorised by him. The result along with the Scrutinizer's Report will be published on the website of the Company at [www.talbro.com](http://www.talbro.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited, where the securities of the Company are listed.

### OTHER INFORMATION RELATED TO REMOTE E-VOTING PROCEDURE-

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

<b>Commencement of e-voting</b>	Friday, September 22, 2023 at 9:00 A.M (IST)
<b>End of e-voting</b>	Sunday, September 24, 2023 at 5:00 P.M.(IST)

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

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

#### STEP 1: ACCESS TO NSDL E-VOTING SYSTEM





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

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

NSDL provides IDeAS (Internet based Demat Account Statement) to its clients to enable shareholders to view balances and transactions in demat accounts updated on an online basis.

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

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin: 0 10px;">  <b>App Store</b> </div> <div style="text-align: center; margin: 0 10px;">  <b>Google Play</b> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

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Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Individual Shareholders holding securities in demat mode with NSDL Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Individual Shareholders holding securities in demat mode with CDSL Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

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

**How to Log-in to NSDL e-Voting website?**

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

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

4. Your User ID details are given below :

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

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5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.

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

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested



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scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com).

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

### 20. Instructions for attending AGM of the Company through VC/OAVM:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting

instructions mentioned in the notice to avoid last minute rush.

- ii. Members are requested to participate on first-come-first-served basis, as participation at the meeting through video conferencing will be limited to maximum of 1000 members. The meeting can be joined 30 minutes before the scheduled time of AGM and will be closed on the expiry of 30 minutes from the scheduled time of the AGM. However, there will be no such restrictions for participation at the meeting by large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- iii. The procedure for e-Voting on the day of the AGM is same as the instructions for remote e-voting mentioned below.
- iv. Members are encouraged to join the Meeting through Laptops for better experience. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) by Saturday, September 16, 2023 (5.00 p.m. IST).

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the

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meeting. The Company reserves the right to restrict the number of speakers depending upon the availability of time at the AGM.

- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website "www.evoting.nsdl.com" under the 'Downloads Section'." You can also contact NSDL at 022 - 4886 7000 and 022 - 2499 7000 or Ms. Snehal

Bhame, Assistant Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will address the grievances related to electronic voting.

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

Place: Gurugram  
Date: August 08, 2023

**Sd/-  
Seema Narang  
Company Secretary**

## Notice (Contd.)

### **EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS:**

**The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 5 to 12 of the accompanying Notice dated August 08, 2023.**

#### **ITEM NO. 5 AND 6**

Mr. Umesh Talwar is one of the Promoters of the Company and has been managing the affairs of the Company as its Vice Chairman & Managing Director (VCMD) since year 2000. He has rich and varied experience in automotive sector and continues to make valuable contribution in overall growth of the Company. Shareholders of the Company at their 63rd Annual General Meeting held on September 25, 2020 had approved the re-appointment of Mr. Umesh Talwar as VCMD for a period of 3 years from April 01, 2021 to March 31, 2024, not liable to retire by rotation.

As the current term of appointment of Mr. Umesh Talwar is valid till March 31, 2024, approval of members by way of special resolution is sought for the re-appointment of Mr. Umesh Talwar for a period of 3 years from April 01, 2024 on the remuneration as set out in the proposed resolution at item no. 5 of Notice of 66th AGM.

Mr. Anuj Talwar has been associated with the Company since year 2008. He has over 18 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry. He has indepth knowledge of the business of the Company and has an important role in the future direction and growth of the Company. With his focus on business excellence and economic conditions, he is steering the Company to the most profitable direction while also implementing its vision, mission and long term goals. Shareholders of the Company at their 63rd Annual General Meeting held on September 25, 2020 had approved the re-appointment of Mr. Anuj Talwar as Joint Managing Director for a period of 3 years from August 14, 2021 to August 13, 2024, liable to retire by rotation.

As the current term of appointment of Mr. Anuj Talwar is valid till August 13, 2024, approval of members by way of special resolution is sought for the re-appointment of Mr. Anuj Talwar for a period of 3 years from August 14, 2024 on the remuneration as set out in the proposed resolution at item no. 6 of Notice of 66th AGM.

The Board of Directors has, subsequent to the approval and recommendation of the Nomination and Remuneration Committee in its meeting held on February 03, 2023, approved the re-appointments of Mr. Umesh Talwar and Mr. Anuj Talwar as mentioned in the respective resolutions at Item no. 5 and 6 subject to shareholders' approval.

The shareholders of the Company are requested to approve the remuneration to be paid to Mr. Umesh Talwar and Mr. Anuj Talwar as mentioned in Item No. 5 and 6 respectively of this Notice to be paid as minimum remuneration in case of loss or inadequacy of profits in any financial year during their tenure.

In order to ensure continuity in payment of remuneration to whole time Directors irrespective of unforeseen volatility in operations/ profitability and as per the requirements of Section – II of Part – II of Schedule V of the Companies Act, 2013 a Special Resolution is also required to be passed for payment of managerial remuneration, therefore consent of members by way of a Special Resolution is sought for re-appointment of Umesh Talwar as VCMD and Mr. Anuj Talwar as Joint Managing Director of the Company w.e.f. April 01, 2024 and August 14, 2024 respectively for a period of three years at specified remuneration as detailed in the proposed resolutions at item no. 5 and 6.

The Directors are of the opinion that the re-appointment of Mr. Umesh Talwar as VCMD will be in the interest of the Company considering his rich experience, product and industry knowledge and strong board performance that will benefit the Company in the long run and also help the Company to steer through the difficult and challenging times. Accordingly, the Directors recommend the Special Resolutions at item no. 5 of this notice for the approval of the Members.

The Directors are of the opinion that the re-appointment of Mr. Anuj Talwar as Jt. Managing Director will be in the interest of the Company considering that he has indepth knowledge of the business of the Company and has an important role in the future direction of the growth of the Company and the JV Companies. Accordingly, the Directors recommend the Special Resolutions at item no. 6 of this notice for the approval of the Members

This may also be treated as memorandum pursuant to Section 190 of the Companies Act, 2013.

Mr. Umesh Talwar and Mr. Anuj Talwar hold 187510 and 375018 equity shares of the Company respectively.

## Notice (Contd.)

Mr. Umesh Talwar and Mr. Anuj Talwar hold directorships in the following Companies:

Mr. Umesh Talwar		Mr. Anuj Talwar	
Name of the Company	Date of Appointment	Name of the Company	Date of Appointment
QH Talbros Private Limited	June 06, 2014	QH Talbros Private Limited	September 17, 2022
		Talbros International Private Limited	September 30, 2016
		T&T Motors Private Limited	September 30, 2015
		Marelli Talbros Chassis Systems Private Limited	February 03, 2012
		Talbros Margo Rubber Private Limited	August 23, 2012
		Nippon Leakless Talbros Private Limited	February 13, 2020

Mr. Umesh Talwar and Mr. Naresh Talwar being brothers are related to each other. Mr. Umesh Talwar is the father of Mr. Anuj Talwar and hence both are related to each other.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Naresh Talwar, being brother of Mr. Umesh Talwar and Mr. Anuj Talwar, being the son of Mr. Umesh Talwar, is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 5.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, except Mr. Umesh Talwar, being father of Mr. Anuj Talwar, is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 6.

The statement of information as required under Section II of Part-II of Schedule V to the Companies Act, 2013 is as under:

(I) General Information:					
Nature of Industry	Manufacturing Auto Components				
Date of commencement of commercial operation	The Company was incorporated on September 08, 1956 and it has started its Commercial production in 1957.				
<b>Financial Performance:</b>	(₹ Lacs)				
<b>Financial Parameters</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Turnover (₹ In Lacs)	48284.79	38529.41	44419.72	57724.03	64718.32
Net profit as per profit and loss statement	2167.57	671.89	3360.80	3704.95	4370.33
Dividend paid (₹ In Lacs)	185.18	222.22	61.73	370.37	308.64
Rate of dividend declared	15%	18%	5%	30%	25%
Joint Ventures (JV)/ Foreign collaborators, if any	<ul style="list-style-type: none"> <li>– Nippon Leakless Corporation Japan, (JV with Nippon Leakless Corporation, Japan)</li> <li>– Marelli Talbros Chassis Systems Private Limited (JV with Marelli Suspension S.p.A, Italy)</li> <li>– Talbros Marugo Rubber Private Limited (JV with Marugo Rubber Industries Limited, Japan)</li> </ul>				

## Notice (Contd.)

**II. Information about the appointees:**

<b>Name</b>	<b>Mr. Umesh Talwar</b>	<b>Mr. Anuj Talwar</b>
Background Details	<p>Mr. Umesh Talwar, aged 72 years, has done B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur. He has more than 46 years of experience in the Automotive Component Industry. He has been associated with the Company since 1977.</p> <p>He is one of the Promoters and has been managing the affairs of the Company as its Vice Chairman &amp; Managing Director (VCMD) since 2000. Under his leadership the Company has received various awards and recognition.</p>	<p>Mr. Anuj Talwar, aged 42 years, is a Bachelor in Business Administration from college of William &amp; Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management.</p> <p>He has been associated with the Company since 2008. He had over 18 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry.</p>
Past remuneration (₹ Per annum)	2020-21 148.90 Lacs 2021-22 175.00 Lacs 2022-23 175.00 Lacs	2020-21 127.65 Lacs 2021-22 150.00 Lacs 2022-23 150.00 Lacs
Job profile and his suitability	Mr. Umesh Talwar is responsible for day to day management and administration of the Company's operations subject to the superintendence, direction and control of the Board.	Mr. Anuj Talwar is responsible for coordinating with Joint Venture Companies, particularly Magneti Marelli Talbros Chassis Systems Private Limited and Talbros Marugo Rubber Private Limited as well as new business developments.
Remuneration proposed	As set out in the explanatory statement for resolution at item no. 5 and 6 of this Notice. The remuneration to VCMD and JMD has been approved by the Nomination and Remuneration Committee & Board of Directors in the meetings held on February 03, 2023.	
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	In view of the size of the Company, the qualification and experience of Mr. Umesh Talwar and Mr. Anuj Talwar and the profile being handled by them, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial positions in other Companies in the industry.	
Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any	Besides, the remuneration proposed, Mr. Umesh Talwar does not have any other pecuniary relationship with the Company. However Mr. Umesh Talwar is related to Mr. Naresh Talwar being his brother and to Mr. Anuj Talwar being his father.	Besides the remuneration proposed, Mr. Anuj Talwar does not have any other pecuniary relationship with the Company. However Mr. Anuj Talwar is related to Mr. Umesh Talwar being his son.



## Notice (Contd.)

### III. Other information:

Reasons for loss or inadequate profits	There are no losses and the Company does not envisage any loss or inadequate profits during the tenure of appointment of Mr. Umesh Talwar and Mr. Anuj Talwar. However, approval of the members by way of Special Resolution is sought as a matter of abundant caution in order to ensure continuity in payment of remuneration to the Whole time directors irrespective of the unforeseen volatility in operations/profitability and also as per the requirements of Section II of Part II of Schedule V to the Companies Act, 2013.
Steps taken or proposed to be taken for improvement	<p>The management makes continuous endeavors and efforts to bring an increase in the productivity and profitability. These efforts, inter alia include the following:</p> <ul style="list-style-type: none"> <li>• The Company is exploring new markets/buyers in the international markets to increase export sales.</li> <li>• The Company is concentrating on the replacement market sale and has introduced new marketing strategies to it further.</li> <li>• The Company has taken various initiatives to save on the cost so as to improve the profit margin.</li> <li>• The Company is ready to deliver BS-VI compliant products.</li> </ul>
Expected increase in productivity and profits in measurable terms	With the transition from BS-IV to BS-VI emission norms, the management hopes that the momentum of growth would be in double digits. However, the actual results may differ due to factors like changes in Government regulations, tax laws, economic developments within and outside the country and other related factors.

### IV. DISCLOSURES

<p>i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors;</p> <p>ii. Details of fixed component and performance linked incentives along with the performance criteria</p> <p>iii. Service contracts, notice period, severance fees;</p> <p>iv. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.</p>	All the required disclosures have been made in the Corporate Governance Report section and form a part of the 66 <sup>th</sup> Annual Report for the financial year ended March 31, 2023.
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### ITEM NO. 7

Mrs. Priyanka Gulati (DIN: 07087707) was appointed as an Independent Director of the Company for a term of 5 years and she holds office up to September 24, 2023.

The Company has received a declaration from Mrs. Priyanka Gulati confirming that she meets the criteria of independence as provided under Section 149(6) of the Act and under Regulation 16(1) (b) of the SEBI (Listing Regulations).

## Notice (Contd.)

The Nomination and Remuneration Committee on the basis of the report of performance evaluation and other factors, has recommended her re-appointment as an Independent Director for a second term of five years, subject to approval of the shareholders as she fulfills the conditions specified in the Act and Listing Regulations for the appointment as an Independent Director and is independent of management.

The Board considers that the diverse and rich experience of Mrs. Priyanka Gulati would help the Company to achieve its objective of maximising shareholder worth and would be of immense benefit to the Company.

During her tenure of appointment she would not be liable to retire by rotation as provided under Section 152 (6) of the Act.

Mrs. Priyanka Gulati will not be entitled to receive remuneration except Sitting Fees as approved by the Board of Directors in addition to reimbursement of expenses incurred for participation in Board and Committee Meetings.

Electronic Copy of the Letter of Appointment of Mrs. Priyanka Gulati setting out terms and conditions shall be available in the Board of Directors and its Committees under Investors section of the website of the Company at [www.talbro.com](http://www.talbro.com).

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

Additional information in respect of Mrs. Priyanka Gulati pursuant to Regulation 36 of SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) along with brief profile of Mrs. Priyanka Gulati is provided in **Annexure I** to the Notice.

Mrs. Priyanka Gulati does not hold any shares in the Company.

Accordingly, the Board recommends the Special Resolution at item no. 7 in relation to re-appointment of Mrs. Priyanka Gulati for a second term of 5 years from September 25, 2023 to September 24, 2028.

None of the Directors/Key Managerial Personnel of the Company/ their relatives, except Mrs. Priyanka Gulati, is concerned or interested, financially or otherwise, in the special resolution set out at Item No. 7.

### ITEM NO. 8

QH Talbros Private Limited (QHT) is an associate company and is a related party as per provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder.

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

Members of the Company at their 64th Annual General Meeting held on September 27, 2021 had approved the Agreement for Sale/purchase of Company's products to/from QHT for a period of three years from April 01, 2022 to March 31, 2025.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 01, 2022, states that all Material Related Party Transaction ('RPT') shall require approval of shareholders by means of an Ordinary Resolution and RPTs approved in an AGM shall be valid upto the date of the next AGM.

Accordingly, the Resolution mentioned at Item no. 8 of the accompanying Notice is for the approval of the members for carrying out/ continuing with contracts/arrangements/ transactions with QHT for Sale/Purchase of Company's products including but not limited to Gaskets, Forgings and other Auto Parts upto maximum amount of ₹ 95.00 Crores, exclusive of applicable taxes, during FY 2023-24.

Basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 8 of the accompanying Notice to the shareholders for approval.

## Notice (Contd.)

Information/ details of the proposed transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are given hereunder:

Sl. No.	Description	Details
a)	Name of the related party	QH Talbros Private Limited (QHT)
b)	Nature of relationship	QHT is an Associate Company of Talbros Automotive Components Limited (TACL). QHT and TACL are related parties.
c)	Nature and material terms of the proposed transaction	Sale/ Purchase of Company's products to/ from QHT including but not limited to Gaskets, Forgings and other auto parts. Pricing will be done as per the business standards of the Company.
d)	Value of the transaction	Maximum upto ₹ 95.00 Crores exclusive of applicable taxes
e)	Tenure of the transaction	Financial Year 2023-24
f)	Percentage value of proposed transactions of Company's annual consolidated turnover considering 2022-23 as the immediately preceding financial year	12.86% approx. (Actual percentage of transactions carried out in FY 2022-23 is 10.25%)
g)	Justification as to why the related party transaction is in the interest of the Company	Both QHT and TACL are engaged in business of manufacturing of auto parts. QHT takes products from TACL and after processing / machining/ assembly sells the same to its customers. The Sale/purchase is done in ordinary course of business and at arm's length pricing. The transactions help the Companies to meet their customer demands and generation of revenue and business for both the Companies.
h)	Name of the Director/ KMP who is concerned/ interested	Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. Vidur Talwar, Mr. Varun Talwar and Mr. Anuj Talwar are concerned/ interested being common Directors of both the Companies. No other Directors/Key Managerial Personnel and their relatives are in any way concerned or interested.
i)	Details of valuation or other external party report, if such report has been relied upon	Not Applicable
j)	Any other information that may be relevant	None

### ITEM NO. 9

To achieve economies of scale and better utilisation of resources, approval of the members was taken in the 64th AGM for entering into an agreement with TIPL to sell Company's products in aftermarket for a period of 3 years from April 01, 2021 to March 31, 2024. The arrangement enables TACL to focus on sale of products to OEMs, Export Market and to channelise its synergies in increasing its product range and customers. TIPL became one customer for all the aftermarket sales in place of multiple distributors in the replacement market. The arrangement helps in optimisation of available existing manpower & resources and in overall improvement of margins of the Company.

Talbros Indiparts Private Limited (TIPL) is a related party as per provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 01, 2022, states that all Material Related Party Transactions ('RPT's') shall require approval of shareholders by means of an Ordinary Resolution and RPTs approved in an AGM shall be valid upto the date of the next AGM.

## Notice (Contd.)

The Resolution mentioned at Item no. 9 of the accompanying Notice is for the renewal of agreement with TIPL for sale of Company's products in the aftermarket for a period of three years from April 01, 2024 to March 31, 2027 and for carrying out/ continuing with contracts/arrangements/transactions upto maximum value aggregating to ₹ 60.00 Crores in one the financial year exclusive of applicable taxes and also for seeking shareholders' approval for the said transactions upto maximum value of ₹ 60 Crores, during the financial year 2023-24

Your Directors recommend the Ordinary Resolution at Item No. 9 of the Notice for the approval of the Members to meet the statutory compliance.

Mr. Navin Juneja being common Director of both the companies may be deemed interested in the proposed resolution.

No other Directors/ Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution set out at Item No. 9.

Information/ details of the proposed transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are given hereunder:

Sl. No.	Description	Details
a)	Name of the related party	Talbro's Indiparts Private Limited (TIPL)
b)	Nature of relationship	TIPL is an Associate Company of Talbro's Automotive Components Limited (TACL).  TIPL and TACL are related parties as per provisions of Section 188 of the Companies Act, 2013.
c)	Nature and material terms of the proposed transaction	Sale of Company's products in the aftermarket to bring optimisation of manpower and resources.  Pricing will be done as per the business standards of the Company.
d)	Value of the transaction	Maximum upto ₹ 60.00 Crores, exclusive of applicable taxes
e)	Tenure of the transaction	Financial Year 2023-24
f)	Percentage value of proposed transactions of Company's annual consolidated turnover considering 2022-23 as the immediately preceding financial year	8.12% approx.  (Actual percentage of transactions carried out in FY 2022-23 is 5.59%)
g)	Justification as to why the related party transaction is in the interest of the Company	The agreement will enable TACL to focus on sale of products to OEMs, Export Market and to channelise its synergies in increasing its product range and customers. TIPL will be one customer for all the aftermarket sales in place of multiple distributors in the replacement market. The agreement will bring in optimisation of available existing manpower & resources and will help in overall improvement of margins of the Company.
h)	Name of the Director/ KMP who is concerned/ interested	Mr. Navin Juneja is common Director of both the Companies.  No other Directors/Key Managerial Personnel and their relatives are in any way concerned or interested.
i)	Details of valuation or other external party report, if such report has been relied upon	Not Applicable
j)	Any other information that may be relevant	None

## Notice (Contd.)

### ITEM NO. 10

The Board, on the recommendation of Audit committee, has approved the re-appointment of M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) as Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year ending March 31, 2024. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item no. 10 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

None of the Directors/Key Managerial Personnel of the Company/their relatives is concerned or interested, whether financially or otherwise, in the resolution set out at Item no. 10.

The Board recommends the Ordinary Resolution at Item No. 10 for approval by the members.

### ITEM NO. 11 AND 12

With a view to enhance liquidity of the Company's equity shares and to encourage participation of small investors by making equity shares of the Company more attractive to invest, the Board of Directors of the Company in their meeting held on August 08, 2023 considered and approved, the sub-division/split of the existing equity shares of the Company such that 1 (One) equity share having face value of ₹ 10/- (Rupees Ten only) each fully paid-up be sub-divided/split into 5 (Five) equity shares having face value of ₹ 2/- (Rupees Two only) each fully paid up, ranking pari-passu with each other in all respects with effect from the Record Date: The Record Date for the sub-division/split of existing equity shares shall be decided by the Board post approval of the shareholders and will be intimated to the Exchanges in due course.

The sub-division/split of equity shares of the Company as aforesaid would require consequential alteration to the

existing Capital Clause i.e. Clause 5 of the Memorandum of Association ("MOA") of the Company.

- There will not be any change in the amount of authorised, subscribed, issued and paid-up share capital of the Company on account of sub-division/split of equity shares.
- Such sub-division/split shall not be construed as reduction in share capital of the Company i.e. in compliance of the applicable provisions of the Companies Act, 2013 ("Act") and other applicable regulations/ provisions in this regard.

Draft copy of the revised MOA of the Company (with proposed changes) is available on website of the Company for inspection by the Members upto the last date of remote e-voting.

In terms of the provisions of Sections 13 and 61 of the Companies Act, approval of the Members of the Company is sought by way of ordinary resolution for sub-division/split of equity shares and by Special resolution for consequential alteration to Capital Clause (Clause 5) of MOA of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise in the resolutions except to the extent of their shareholding, if any, in the Company. The Board of Directors of the Company recommends the resolutions set out at item nos. 11 for sub-division/split of equity shares of the Company & Item no. 12 for approval of Alteration of Capital Clause 5 of the Memorandum of Association of the Company for approval of the Members.

**By Order of the Board  
For Talbro's Automotive Components Limited**

Place: Gurugram  
Date: August 08, 2023

**Sd/-  
Seema Narang  
Company Secretary**



## Notice (Contd.)

**ANNEXURE -1 TO NOTICE OF 66TH AGM**

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

<b>Name of the Director</b>	<b>Mr. Umesh Talwar</b>	<b>Mr. Anuj Talwar</b>	<b>Mr. Navin Juneja</b>	<b>Mrs. Priyanka Gulati</b>
<b>Age / Date of Birth</b>	72 years / September 29, 1950	42 years / December 19, 1980	65 years / September 30, 1957	46 years/ December 17, 1977
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Qualifications</b>	B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur.	Bachelor in Business Administration from College of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management.	B.Sc. (Hons.) (Mathematics) & Chartered Accountant (FCA).	Chartered Accountant
<b>Expertise in specific functional areas</b>	Over 46 years of varied experience in Automotive Components Industry.	Over 18 years of rich experience in Corporate Finance, Credit analysis and Auto Industry.	Advises various companies on financial management and corporate planning. More than 37 years of rich experience in Finance, Accounting and Strategic Planning.	23 years of rich experience in management consulting and entrepreneurship
<b>Brief Profile</b>	He has rich experience in the automotive components industry. He has been associated with the Company since 1977.  Mr. Umesh Talwar is one of the Promoters of the Company and has been managing the affairs of the Company as its Vice Chairman & Managing Director (VCMD) since 2000.	He has over 18 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry.  He has been associated with the Company since 2008	He advises company on financial management and corporate planning. He has more than 36 years of rich experience in Finance, Accounting and Strategic Planning.	
<b>Date of Appointment</b>	April 01, 2012	August 14, 2012	November 12, 2010	May 25, 2018 (first term)

## Notice (Contd.)

Name of the Director	Mr. Umesh Talwar	Mr. Anuj Talwar	Mr. Navin Juneja	Mrs. Priyanka Gulati
<b>Relationship with other Directors inter-se and Key Managerial Personnel</b>	Mr. Umesh Talwar is the Brother of Mr. Naresh Talwar and Father of Mr. Anuj Talwar.	Mr. Anuj Talwar is the son of Mr. Umesh Talwar.	NA	N.A.
<b>Shareholding in Talbros Automotive Components Limited</b>	1,87,510	3,75,018	1,953	-
<b>List of Directorships held in other Companies (excluding foreign companies)</b>	1. QH Talbros Private Limited	1. QH Talbros Private Limited 2. Talbros Marugo Rubber Private Limited 3. Marelli Talbros Chassis Systems Private Limited 4. Talbros International Private Limited 5. T & T Motors Private Limited 6. Nippon Leakless Talbros Private Limited	1. Beacon Sales Private Limited 2. Talbros Indiparts Private Limited 3. TANDT Multi Trading Private Limited 4. Talbros International Private Limited	1. Manthan Management Solutions Private Limited 2. Krishna Ishizaki Auto Limited 3. SGS Teknics Manufacturing Private Limited 4. Grant Thornton Bharat LLP
<b>List of Committees of Board of Directors across all companies in which Chairmanship/ Membership is held (only Audit Committee and Stakeholders' Relationship Committee considered)</b>	Talbros Automotive Components Limited  Corporate Social Responsibility (CSR) Committee	Talbros Automotive Components Limited  Stakeholder's Relationship Committee	Talbros Automotive Components Limited  Corporate Social Responsibility (CSR) Committee  Stakeholder's Relationship Committee  Audit Committee	Talbros Automotive Components Limited  Audit Committee
<b>Number of Board Meetings attended during the year</b>	5	5	5	5

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 66th Annual Report on the business and operations of your Company along with Audited Financial Statements (Standalone and Consolidated) and the Auditors' Report thereon for the Financial Year ended March 31, 2023.

## Financial Highlights:

(₹ in Lacs)

Particulars:	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue from Operations	64,718.32	57,724.03	64,718.32	57,724.03
Profit before Interest and Depreciation	9,349.61	8,317.98	9,349.61	8,317.98
Less : Interest	1,135.87	1,176.73	1,135.87	1,176.73
Depreciation	2,372.34	2,288.65	2,372.34	2,288.65
<b>Profit/(Loss) before Exceptional Items, share in profit of joint ventures (net) and tax</b>	<b>5,841.40</b>	<b>4,852.60</b>	<b>5,841.40</b>	<b>4,852.60</b>
Exceptional Items	-	-	-	-
<b>Profit/(Loss) before share in profit of joint ventures (net) and tax</b>	<b>5,841.40</b>	<b>4,852.60</b>	<b>5,841.40</b>	<b>4,852.60</b>
Share in profit/(loss) of joint ventures (net)	-	-	1,187.37	783.67
<b>Profit before Tax</b>	<b>5,841.40</b>	<b>4,852.60</b>	<b>7,028.77</b>	<b>5,636.27</b>
Less: Provision for Tax	1,517.48	1,294.34	1,517.48	1,294.34
Provision for Deferred Tax	(53.22)	(201.12)	(53.22)	(201.12)
Less: (Excess)/ Short provision of tax for earlier years written back/ provided	6.81	54.43	6.81	54.43
<b>Profit after Tax</b>	<b>4,370.33</b>	<b>3,704.95</b>	<b>5,557.70</b>	<b>4,488.62</b>
Other Comprehensive Income				
a) Items that will not be reclassified to profit and loss	1,720.43	1,717.78	1,716.00	1,178.09
b) Income tax relating to items that will not be reclassified to profit and loss	(401.38)	(400.65)	(401.38)	(400.65)
<b>Total other comprehensive income</b>	<b>1,319.05</b>	<b>1,317.13</b>	<b>1,314.62</b>	<b>1,317.44</b>
<b>Total comprehensive income</b>	<b>5,689.38</b>	<b>5,022.08</b>	<b>6,872.32</b>	<b>5,806.06</b>

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

## BUSINESS REVIEW

After a turbulent couple of years characterised by the COVID-19 pandemic and major disruptions to economic activity, the global economy started to recover in the post-pandemic period.

However, there were issues like incremental inflation, trade wars, and geopolitical conflicts coupled with rising costs of living. Major global central banks played a critical role in navigating these challenges but their efforts to curb inflation through interest rate hikes slowed economic activity in major developed markets while many developing markets are expected to outperform developed economies in 2023. The reopening of China is expected to provide strong support for the recovery of emerging markets

Looking ahead, global growth is expected to reach 2.8% in 2023 before rising to 3.0% in 2024.

## Board's Report (Contd.)

Global inflation is projected to rise from 4.7% in 2021 to 8.7% in 2022, before falling to 7% in 2023.

During the period under review, your Company remained focused on manufacturing, logistics for growth and continuity in operations with renewed vigor ensuring ample safety measures for its employees.

### FINANCIAL REVIEW

In 2022-23, Gasket division sales is ₹ 427.50 Crores, up by 14.13 % as compared to 2021-22 turnover of ₹ 374.55 Crores.

In 2022-23, Forging division sales is ₹ 219.68 Crores, up by 8.38 % as compared to 2021-22 turnover of ₹ 202.69 Crores.

During the Financial Year 2022-23, your company on standalone basis recorded a turnover of ₹ 647.18 Crores, 12.12% higher as compared to the last Financial Year 2021-22 with gross turnover of ₹ 577.24 Crores. Profit after tax (PAT) for the Company for 2022-23 was ₹ 43.70 Crores, 17.95 % higher as compared to the PAT of ₹ 37.05 Crores in the previous year 2021-22.

The JV Company Nippon Leakless Talbro's Private Limited (LTL) recorded a turnover of ₹ 86.15 Crores, increases by 18.65% as compared to last financial year 2021-22 with turnover of ₹ 72.61 Crores. PAT of LTL was ₹ 11.79 Crores, higher by 22.81 % as compared to PAT of ₹ 9.60 Crores in the previous year 2021-22.

The JV Company Marelli Talbro's Chassis Systems Private Limited (MMT) has recorded a turnover of ₹ 209.80 Crores, higher by 27.55% as compared to last Financial Year 2021-22 with turnover of ₹ 164.48 Crores. PAT of MMT was ₹ 11.48 Crores, higher by 41.73% as compared to ₹ 8.10 Crores in the previous year 2021-22.

Talbro's Marugo Rubber Private Limited (TMR), another JV Company has recorded a turnover of ₹ 85.32 Crores, higher by 55.32% as compared to last Financial Year 2021-22 of ₹ 54.93 Crores. PAT of TMR was ₹ 2.84 as compared to ₹ (0.11) Crores in the previous financial year 2021-22.

During the Financial Year 2022-23, the consolidated total revenues increased by 12.12% from ₹ 577.24 Crores in 2021-22 to ₹ 647.18 Crores.

### NEW INITIATIVES & FUTURE OUTLOOK

Your Company is a diversified auto components player with presence across two wheelers, passenger vehicles, commercial vehicles and farm equipments. Our business is broadly divided into Gaskets and Forgings. We are also

having three joint ventures with global auto giants for gaskets, suspension and rubber components. In gaskets we continue to be a market leader with having a market share of over 50%.

Your Company has introduced a new line for Heat Shield at its Gasket manufacturing facility at Faridabad. Heat Shield is a futuristic product and we are developing new generation Heat Shields to meet the emerging demand of Companies for compliance with thermal and NVH regulations post BS-VI. We have introduced Nimbus Heat Shields for major upcoming vehicle models. The demand of Heat Shields is growing.

Your Company has become India's leading gasket manufacturer providing complete ceiling, thermal management and NVH, noise, vibration and harness solutions to partners in various segments of the automotive industry, including passenger cars, two-wheeler and three-wheelers, LCVs, HCVs, Agri, off-road vehicles and industrial segments. Your Company has also been steadily growing its export segment, supplying to global OEMs and Tier-1 companies.

For Forging business line, Your Company's facility at Bawal is equipped for tooling design and its manufacturing, forging, heat treatment and machining capabilities. It has 21,000 metric tons forging capacity and can make parts ranging from 150 grams to 15 kilograms, with increased depth of manufacturing. Your Company is a single source for most of the Tier-1 OEMs.

Along with this, Your Company also has increased focus on EV Business.

### TRANSFER TO RESERVE

An amount of ₹ 50 Lacs has been transferred to General Reserves out of the profit earned during the Financial Year 2022-23.

### DIVIDEND

Your Board of Directors declared Interim Dividend for the financial year 2022-23 @ 10% (₹ 1.00 per share) on 1,23,45,630 Equity Shares of ₹ 10/- each, aggregating to ₹ 1,23,45,630/- , at its meeting held on February 08, 2023. The said Interim dividend was paid to the Shareholders on March 04, 2023.

Further, your Directors are pleased to recommend, a final dividend @ 20% (₹ 2.00/- per equity share) for the financial year 2022-23 on 1,23,45,630 equity shares of ₹ 10/- each, aggregating to ₹ 2,46,91,260/- (Rupees Two Crores Forty Six Lacs Ninety One Thousand Two Hundred and Sixty Only), for the approval of members at the ensuing Annual General Meeting.

## Board's Report (Contd.)

### MANAGEMENT DISCUSSION & ANALYSIS

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

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

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

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year ended March 31, 2023 till the date of this Report.

### CHANGE IN THE NATURE OF BUSINESS

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

### INDUSTRY OVERVIEW

In the previous year, the Indian Automobile Industry witnessed a surge in vehicle sales, resulting in India surpassing Japan to become the third-largest automobile market. This increase

was attributed to the easing of semiconductor issues and a strong demand rebound during the festival season.

Despite the decline in Internal Combustion Engine (ICE) vehicle sales, Electric Vehicles (EVs) have maintained a positive outlook and have performed exceptionally well in the consumer market, including Plug-in Hybrid Electric Vehicles (PHEVs).

EVs have maintained their performance due to advancements in EV battery density, longer driving ranges, and the increasing availability of EV models in higher-volume segments.

The overall Indian auto components industry, currently accounting for 2.3% of India's GDP, is expected to become the 3rd largest globally by 2025.

### SHARE CAPITAL

The paid up capital of the Company as on March 31, 2023 was ₹ 12,34,56,300/-. During the year under review, the Company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently there is no change in the capital structure since previous year.

### CREDIT RATING

Company's credit ratings were revised by CARE Ratings on April 05, 2023. The ratings of the Company are as under:

Facilities	Amount (₹ Crores)	Rating
Long term Bank Facilities	125.07 (Enhanced from 124.74)	CARE A; Positive (Single A; Outlook: Positive)
Short term Bank Facilities	45.00 (Enhanced from 35.00)	CARE A1 (A One)
Total Bank Facilities	170.07 (₹ One Hundred Seventy Crores and Seven Lacs Only)	-
Medium Term Instrument (Fixed Deposit)	-	-
Total Medium Term Instruments	-	-

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

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2014-15 for amount aggregating to ₹ 3,44,778/- had been transferred to the "Investor Education and Protection Fund" established by the Central Government on November 02, 2022.

The Company shall transfer the unclaimed dividend for the financial year 2015-16 to the Investor Education and Protection Fund on or before October 24, 2023 upon completion of 7 years from the date of transfer of said dividend into the Unclaimed Dividend Account in compliance with the provisions of Section 125 of the Companies Act, 2013.

The shareholders who have not encashed their dividend warrants for the financial year 2015-16 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is intimating those members who have so far

## Board's Report (Contd.)

not claimed the unpaid dividend for the financial year 2015-16.

The Company has transferred 17,245 shares to "Investor Education and Protection Fund" in the previous year and the Dividend on such shares was also transferred to the Investor Education and Protection Fund (IEPF).

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

### DIRECTORS

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

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

During the year 2022-23, no changes took place in the composition of Board of Directors.

### DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Navin Juneja (DIN: 00094520) is liable to retire by rotation and being eligible, offers himself for re-appointment.

Details of the proposal for director seeking re-appointment are mentioned in the annexure to the Explanatory Statement of the Notice of 66th Annual General Meeting. The Board recommends his re-appointment to the members for their approval.

### REAPPOINTMENT OF INDEPENDENT DIRECTOR AND JUSTIFICATION OF THE RE-APPOINTMENT

Mrs. Priyanka Gulati was appointed as an Independent Director for a term of 5 years w.e.f. September 25, 2018. She is a Chartered Accountant with a rich experience and knowledge.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee recommends the re-appointment of Mrs. Priyanka Gulati (DIN: 07087707) as Independent Director, not liable to retire by rotation, for a second term of 5 consecutive years w.e.f. September 25, 2023 to September 24, 2028.

The brief details relating to Mrs. Priyanka Gulati who is proposed to be re-appointed, as required to be disclosed as per provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards are given in the Explanatory statement to the Notice of the 66th AGM.

Mrs. Priyanka Gulati meets the criteria of independence as per provisions of Section 149(6) of the Companies Act, 2013.

### DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(7)

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

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

### KEY MANAGERIAL PERSONNEL

As on date, company has following key managerial personnel in compliance with the provisions of Section 203 of the Companies Act 2013.

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

All Directors, key managerial personnel and senior management have confirmed compliance with the Company's Code of Conduct.

### CORPORATE SOCIAL RESPONSIBILITY

Company has formulated a Corporate Social Responsibility (CSR) policy which encompasses its philosophy and guides its sustained efforts for supporting socially useful programmes for welfare and sustainable development of the weaker sections of the society.



## Board's Report (Contd.)

The Company has contributed to several organisations namely Servants of the People Society, Roshni Education Society, Sapna, Armed Forces Flag Day Fund, Savera Association, Sarvam Foundation and The Earth Saviours Foundation for fulfilling its CSR obligations for the financial years 2022-23 and ensuring compliance with provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

The amount of ₹ 48.12 Lacs was spent by the Company during the financial year 2022-23 to fulfill its CSR obligations and ensure compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

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

### AUDITORS AND AUDITORS REPORT

#### Statutory Auditors

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

The Report given by M/s. J C Bhalla & Co., Chartered Accountants, Statutory Auditors on the financial statements (standalone as well as consolidated) of the Company for the financial year 2022-23 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

#### Secretarial Auditors

The Board re-appointed Mrs. Kiran Sharma (Membership No. 4942 & Certificate of Practice No. 3116), a practicing Company Secretary for carrying out Secretarial Audit in terms of the provisions of Section 204 of the Companies Act, 2013 for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2023 as provided by M/s. Kiran Sharma & Co., Practicing Company Secretary is annexed to this Report as **Annexure IV** and forms part of this report.

The Report confirms that the Company is compliant with the applicable statutory laws, rules and regulations, namely:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
- vi) Secretarial Standards issued by The Institute of Company Secretaries of India.
- vii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii) Applicable labor, environmental and industrial laws, rules, regulations and guidelines.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

#### Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder M/s. Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) were re-appointed as the Cost Auditors of the Company for the financial year ending March 31, 2023 to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2021-22 issued by M/s. Vijendra Sharma & Co., Cost Accountants (Firm

## Board's Report (Contd.)

Registration No. 00180) in respect of the various products as prescribed under the Cost Audit Rules was filed in the prescribed form with the Ministry of Corporate Affairs (MCA) during the year.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of the ensuing Annual General Meeting. Further, on the recommendation of the Audit Committee, the Board of Directors have also re-appointed them as Cost Auditors for financial year 2023-24, to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

### RISK MANAGEMENT

Risk Management forms an integral part of management policy and is an ongoing process integrated with operations.

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

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

### INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

### DISCLOSURES

#### Board Meetings

During the Financial Year 2022-23, 5 (five) Board Meetings were held on May 04, 2022, May 23, 2022, August 09, 2022, November 11, 2022, February 08, 2023. Details of the same are available in the section Meetings of the Board of Directors' in the Corporate Governance Report.

#### Audit Committee

During the Financial Year 2022-23, 4 (four) meetings of Audit Committee were held on May 23, 2022, August 09, 2022, November 11, 2022, February 08, 2023. Composition and other details of the Audit Committee are available in the Corporate Governance Report.

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

#### Nomination and Remuneration Committee

During the Financial Year 2022-23, 1 (One) meeting of the Nomination and Remuneration Committee were held on February 03, 2023. Composition and other details of the Nomination and Remuneration Committee are available in the Corporate Governance Report.

#### Stakeholders' Relationship Committee

During the Financial Year 2022-23, 4 (four) meetings of Stakeholders' Relationship Committee were held on May 23, 2022, August 09, 2022, November 11, 2022 and February 08, 2023. Composition and other details of the Stakeholder's Relationship Committee are available in the Corporate Governance Report.

#### Corporate Social Responsibility Committee

During the Financial Year 2022-23, 2 (two) meetings of the Corporate Social Responsibility Committee was held on May 23, 2022 and January 09, 2023. Composition and other details of the Corporate Social Responsibility Committee are available in the Corporate Governance Report.

#### Remuneration Policy & Board Evaluation

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

Remuneration Policy of the Company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The criteria for performance evaluation of Directors cover the areas relevant to their functioning as member of Board or its Committees thereof.

## Board's Report (Contd.)

The manner in which the performance evaluation of the Board and its Committees thereof, the Chairman and the Directors individually has been carried out has been explained in the Corporate Governance Report.

The Remuneration Policy of the Company is available on company's website [www.talbro.com](http://www.talbro.com).

### Related Party Disclosures

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

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large.

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

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

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

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

### Frauds reported during the year

No material frauds were reported for the period under review.

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

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures as on March 31, 2023 in **Form AOC-1** is annexed to this Report as **Annexure V**.

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

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

### Particulars of remuneration of Employees

The information/details required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and Rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure –VII**.

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year. It is the collective spirit of partnership across all sections of employees and their sense of ownership and commitment that has helped the Company to grow.

### Public Deposits

There are no deposits outstanding as on March 31, 2023, except for some unclaimed deposits.

No fresh deposits were accepted during the year. Deposit amounting to ₹ 6,93,384/- remains unclaimed at the end of financial year 2022-23 and the same is being transferred to Investor Education and Protection Fund (IEPF).

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

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

## Board's Report (Contd.)

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

### Particulars of Loans, Guarantees or Investments

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

### Listing of Shares

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

### Registrar and Share Transfer Agent

The Share Transfer and other activities are being carried out by M/s KFin Technologies Limited (earlier Kfin Technologies Private Limited), Registrar and Share Transfer Agent from the following address:-

M/s Kfin Technologies Limited  
Tower B, Plot No. 31-32, Selenium Building,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad-500032, Telangana

### Corporate Governance

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

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

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

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

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

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

The Annual Report of the Internal Complaints Committee of the Company pursuant to Section 21 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for the year ended December 31, 2022 has duly been filed with the office of District Officer.

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

Location: Faridabad	
Name	Designation
Ms. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Anshu Mehra	Member
Mr. Harish Thakur	Member

Location: Pune	
Name	Designation
Mrs. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Mohan S. Ambatpure	Member
Ms. Puja Vitthal Navale	Member

Location: Bawal	
Name	Designation
Mrs. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Vivek Singh	Member
Ms. Neha Batra	Member

No complaints have been filed/ disposed of/ pending during the financial year ended March 31, 2023.

### Vigil Mechanism

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

## Board's Report (Contd.)

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

The policy on Vigil Mechanism is available on Company's website at [www.talbro.com](http://www.talbro.com)

In exceptional circumstances or issues related to reprisal, retaliation, victimisation of any Whistle Blower, the employee shall have direct access to Mr. Anil Kumar Mehra - Chairman of the Audit Committee.

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

No complaint/ grievance were received from any employee during the year under review.

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

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

### Compliance with Secretarial Standards

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

### Annual Return

In compliance with the provisions of Section 92(3) read with Section 134 (3) (s) of the Companies Act, 2013, the annual return of the Company for the financial year 2022-23 in prescribed form is placed on Company's website [www.talbro.com](http://www.talbro.com).

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

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

### Details of difference in valuation

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;
- b) That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2023;
- c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That Directors have prepared the annual accounts on a going concern basis;
- e) That Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) That the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

## ACKNOWLEDGEMENT

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

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

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director  
(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director  
(DIN: 00628063)

Place: Gurugram  
Date: May 16, 2023

# MANAGEMENT DISCUSSION AND ANALYSIS

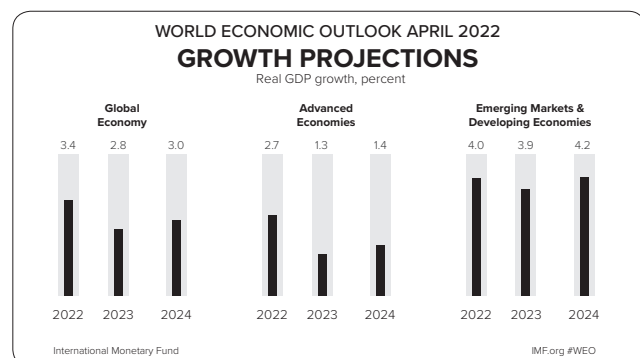
## ECONOMIC OVERVIEW

### Global Economy

The International Monetary Fund (IMF) predicts that global growth will reach 3.4% in 2022, driven by a rebound in economic activity propelled by robust labour markets, significant household consumption, and increased business investment. This momentum comes despite turbulence caused by incremental inflation, trade wars, and geopolitical conflicts. On the supply side, easing bottlenecks and declining transportation costs have reduced pressure on input prices, allowing for a rebound in previously constrained sectors, such as the automotive industry.

After a turbulent couple of years characterised by the COVID-19 pandemic and major disruptions to economic activity, the global economy started to recover in the post-pandemic period. Policymakers were faced with rising costs of living and an unfavorable business environment, and major global central banks played a critical role in navigating these challenges. However, their efforts to curb inflation through interest rate hikes slowed economic activity in major developed markets, while many developing markets showed signs of resilience and are expected to outperform developed economies in 2023. The reopening of China is also expected to provide strong support for the recovery of emerging markets. Global inflation is projected to rise from 4.7% in 2021 to 8.7% in 2022, before falling to 7% in 2023. Advanced economies experienced the most widespread upside inflation surprises, with greater variability in emerging and developing economies.

### Economic Growth Projections (Region-Wise % Change)



Source: International Monetary Fund (IMF)

Looking ahead, global growth is expected to reach 2.8% in 2023 before rising to 3.0% in 2024. Achieving sustained disinflation remains a top priority in most economies, and with tighter monetary conditions and lower growth potentially impacting financial and debt stability, it is imperative to deploy macroprudential tools and strengthen debt restructuring frameworks.

### Indian Economy

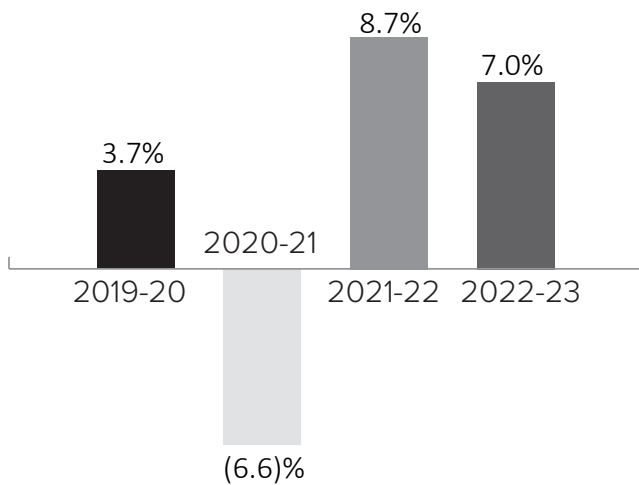
India has defied global economic challenges and remained the world's fastest-growing major economy for the past two years, despite pressures from global recession, inflation, and public debt, as well as a decrease in real household incomes. This economic success has been driven by a number of key reforms, including the liberalisation of the economy, reduction of bureaucracy and corruption, investment in infrastructure, and improved access to finance for small and medium-sized enterprises. As a result, India has emerged as a major player in the global economy, with projected continued growth in the years ahead. The Government's increased spending, as announced in the Union Budget 2023-24, coupled with a rise in private consumption and investment, is expected to further boost economic activity and demand.

Earlier, India faced headwinds in the form of inflation, the Russia-Ukraine war, and supply chain disruptions such as a shortage of semiconductors. However, the momentum of export growth was sustained up to the first half of 2022-23, increasing India's share in the world market of merchandise exports. As export growth slowed down, the rebound in domestic consumption gained traction, further boosting India's economic growth and leading to a rise in domestic capacity utilisation. Despite inflation continuing at a steady and slow rate, economists anticipate India's economic growth to be 7.0% for 2022-23, primarily driven by an economic rebound in private consumption, replacing export stimuli as the leading driver of growth.

### Indian Real GDP Growth (% Change)

2019-20	2020-21	2021-22	2022-23
3.7%	(6.6)%	8.7%	7.0%





(Source: MoSPI)

Going forward, India's positive economic outlook might be impacted by global challenges, including high inflation numbers, monetary tightening by central banks, supply chain strains, and geopolitical conflicts. However, some upside factors for India's growth outlook exist as well. The expected normalisation of supply chains due to the current surge in Covid-19 infections in China not having a significant health or economic fallout for the rest of the world. Additionally, the reopening of China's economy is not expected to cause significant or persistent inflationary pressures, and recessionary tendencies in major advanced economies may lead to a cessation of monetary tightening and a return of capital flows to India, given its stable domestic inflation rate below 6%. These factors could further boost private-sector investment and improve spirits in the country.

## INDUSTRY OVERVIEW

### Global Automotive Industry Trends

The global economy and vehicle sales witnessed positive momentum during the year, despite the Ukrainian crisis that caused disruptions in the automotive supply chain and resulted in higher costs for auto components and raw materials. Leading OEMs showed resilience and responded to the chip shortage crisis by forming strategic alliances with semiconductor manufacturers to shift towards in-house chip production. Furthermore, Chip manufacturers are expanding their production capacity to meet the increasing demand in the automotive sector. Technology companies are also becoming more involved in the automotive industry by serving as future mobility enablers. The Asia-Pacific region emerged as the leading performer in the Auto sales segment, with a growth of

2.7% compared to 2021, setting off the negative performance in the North American and European region.

Despite the decline in Internal Combustion Engine (ICE) vehicle sales, Electric Vehicles (EVs) have maintained a positive outlook and have performed exceptionally well in the consumer market, including Plug-in Hybrid Electric Vehicles (PHEVs). The global forecast for EV sales in 2022 was estimated to be 27.9% higher than the previous year, equating to 8.7 Mn EV sales. This trend is expected to continue in 2023, with a YoY growth rate of 25.2%. As a result, the consumer EV market in 2023 is expected to be 3.5 times larger than it was in 2020. Furthermore, EVs are anticipated to account for 17.6% of total consumer vehicle sales in 2023, up from 15.7% in the previous year. The Asia-Pacific market is projected to be the largest regional market for EVs, with an estimated 7.8 Mn EV sales in 2023, followed by Western Europe with 3.1 Mn and North America with 1.4 Mn.

EVs have maintained their performance due to advancements in EV battery density, longer driving ranges, and the increasing availability of EV models in higher-volume segments. As high-margin models, EVs also receive priority access to components that are in short supply. Global sales of online replacement parts and accessories are expected to exceed USD 50 Bn in 2022. As the number of EVs grows, there will be a greater demand for niche services and EV parts replacement in the aftermarket. New mobility patterns will emerge as consumer attitudes change and demand services based on lifestyle choices. However, for EV adoption to increase further, the automotive industry must continue investing in public charging infrastructure and Vehicle-to-Grid (V2G) solutions.

### Indian Automobile Industry

The Indian automobile industry plays a critical role in the country's economy, being one of the largest industries. In the previous year, the industry witnessed a surge in vehicle sales, resulting in India surpassing Japan to become the third-largest automobile market. This increase was attributed to the easing of semiconductor issues and a strong demand rebound during the festival season.

The industry experienced a significant boost in 2022-23 due to increased economic activity and mobility, leading to an overall production of 25.9 Mn vehicles between April 2022 and March 2023, compared to 23 Mn units in the previous year. Sales improved across most automotive segments, including passenger cars, commercial vehicles, and tractors. Overall automobile sales during the year increased 20.4% from 17.6

Mn in 2021-22 to 21.2 Mn in 2022-23. Most categories saw double-digit growth during this period.

Domestic passenger vehicle sales in India increased by 26.73% to over 3.9 Mn units in 2022-23, from 3.1 Mn in the previous year. Commercial vehicles had the second-highest domestic sales, with an increase from 7.2 lacs to 9.6 lac units, representing a growth of 34%. Three-wheelers sales surged from 2.6 lacs to 4.9 lacs units, an impressive growth of 87%, while two-wheelers sales increased from 13.6 Mn to 15.9 Mn units, in 2022-23. In the same period, passenger vehicle exports rose from 5.8 lacs to 6.6 lacs units.

India has set its sights on achieving carbon neutrality by 2070, and the transportation sector is a significant contributor to pollution. Thus, the shift towards green practices is crucial if the country is to achieve its target of reducing the emissions intensity of its GDP by 45% by 2030. Electric vehicles have emerged as a promising solution for the future of sustainable transportation, resulting in remarkable growth in EV sales over the past two years. According to projections, the India electric vehicle market is expected to grow from USD 3.21 Bn in 2022 to USD 113.99 Bn by 2029, at a CAGR of 66.52% during the forecast period of 2022-2029.

### Indian Automotive Components Industry

The overall Indian auto components industry, currently accounting for 2.3% of India's GDP, is expected to become the 3<sup>rd</sup> largest globally by 2025. The industry is expected to grow to USD 200 Bn by 2026, from USD 46 Bn in 2020-21, and exports are expected to reach USD 80 Bn by 2026, up from USD 13.3 Bn in 2020-21, with the USA, Germany, UK, Thailand, and Italy being the top export destinations. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto components sector is likely to maintain its growth trajectory going ahead.

In the first half of 2022-23, the auto components sector witnessed steady growth both in the domestic and international markets, as vehicle sales across all segments reached pre-pandemic levels and supply-side issues, such as the availability of semiconductors, high input raw material costs, and non-availability of containers moderated. With major categories of vehicles registering robust sales in the domestic market in 2022-23, the Indian automotive components industry is anticipating sustained momentum in 2023-24, expecting up to 15% YoY growth in the next financial year. The industry clocked revenues of ₹ 2.65 Lac Crores in the first nine months of 2022-23, registering a significant 34.8%

YoY growth, which can be attributed to Indian component manufacturers' endeavours to localise technology and offer high-quality components at competitive prices. Furthermore, the growing presence of global automobile OEMs in the Indian auto components industry has significantly increased the localisation of their components in the country.

This growth was further fuelled by the rise in consumption of electric vehicles, leading to a fast transformation of the auto components sector into an integral part of the EV manufacturing supply chain. The electric vehicle market in India is set to witness remarkable growth in the upcoming years. The country's government policies, growing consumer consciousness, and technological innovations are all propelling the transition to a more sustainable and environmentally-friendly mode of transportation. The surge in sales will not only benefit the electric vehicle industry but also create enormous business opportunities for components industry associated with it.

### Government Incentives

The Indian government has been taking various initiatives to promote the growth of the automobile sector in the country. These initiatives include the Automotive Mission Plan 2016-26, which focuses on developing the sector's competitiveness and promoting innovation and National Electric Mobility Mission Plan, which aims to promote the adoption of electric vehicles in the country, and the Government support, such as the Production-Linked Incentive (PLI) and the Make in India initiative, is driving growth in the automobile manufacturing sector. Moreover, the Indian government has set an ambitious target of attracting local and foreign investments worth USD 8-10 Bn into the automobile sector by 2023. This goal is further supported by the adoption of clean technology, which is becoming increasingly important due to rising interest rates and costs, as well as new emission and safety standards.

During the launch event, the President of COP27 highlighted India's potential as the fastest-growing vehicle market in the world, led by emerging trends in electric and zero-emission vehicles, attracting higher investment in the automotive industry. The nation has set its sights on making zero-emission vehicles (ZEVs) the norm, including 2&3-wheelers, cars, vans, and heavy-duty vehicles, by 2030. Furthermore, the country's shift towards zero-emission vehicles (ZEVs) would also lead to the creation of new jobs, reduce technology costs, improve air quality, and reduce dependence on imported fuels. This

## Annexure I

aligns with the government's vision of making India a global manufacturing hub for electric vehicles (EVs) and achieving 30% electric mobility by 2030. Overall, these initiatives are expected to enhance the competitiveness of the Indian automobile industry and contribute significantly to the country's economic growth.

To advance India's electric mobility efforts, NITI Aayog launched two initiatives. The first is the E-AMRIT (Accelerated e-Mobility Revolution for India's Transportation) mobile application, designed to promote awareness of electric mobility. The second is the Report on Advanced Chemistry Cell Battery Reuse and Recycling Market in India, aimed at advancing the reuse and recycling of advanced chemistry cell batteries in the country. These initiatives align with the country's vision of promoting sustainable transportation and accelerating the adoption of electric mobility.

The Indian government has been proactive in promoting electric vehicles and has set a target of 30% electrification of the vehicle fleet by 2030. To support the growth of the EV industry, the government has introduced several policies and incentives. The 2023-24 Union Budget has allocated a total of ₹ 35,000 Crores for capital investments aimed at achieving energy transition and net-zero targets by 2070. The government is also expected to provide viability gap funding to support Battery Energy Storage Systems with a capacity of 4,000 MWH.

To promote the manufacturing of electric vehicles, initiatives such as the Faster Adoption of Manufacturing of Electric Vehicles Scheme – II (FAME – II) and the Production Linked Incentive Scheme (PLI) have been launched. The budget has allocated ₹ 51.72 Bn (approximately USD 631 Mn) towards the FAME-II scheme to encourage the adoption of clean energy vehicles, an 80% increase in budget allocation from previous years. The charging infrastructure is also being expanded with investments from both the government and private companies in setting up charging stations. The number of charging stations in India grew by 285% year over year in 2021-22, and the government aims to expand the number to 4 lakh stations by 2025-26.

## COMPANY OVERVIEW

Established in 1956, Talbros Automotive Components Limited (hereafter 'Talbros' or 'The Company') is ranked among the

leading manufacturers of automotive components in India. The Company has a strong global market presence and is known for its relentless customer-focussed strategies, consistent value addition bound by excellence and superior technology. The Company, along with its joint venture companies, has an extensive product portfolio comprising Gaskets, Heat Shields, Forgings, Chassis Systems, Suspension Systems, Anti-vibration Components and Hoses. Talbros caters to different automobile segments, including Passenger Vehicles, Commercial Vehicles, Two-wheelers, Three-wheelers, Agricultural machinery, Off-loaders and Industrial vehicles, among others. Through strategic collaborations with renowned global players and world-class manufacturing facilities, the Company delivers best-in-class auto components to its customers. Having a diversified business model, the Company supplies to multiple product categories to OEMs, and outpace industry growth.

## Product Portfolio

Gaskets	TACL Standalone Nippon Leakless Talbros Private Limited
Heat Shields	TACL Standalone
Forgings	TACL Standalone
Chassis Components	Marelli Talbros Chassis Systems Private Limited
Anti-Vibration Products & Hoses	Talbros Marugo Rubber Private Limited

## SWOT ANALYSIS

### Strengths

- The Company's industry experience of 65 years and its rank among the industry leaders give it a competitive edge
- Strong relationships with OEMs across various automobile segments, including passenger vehicles, commercial vehicles, export markets, off-highway vehicles, enabling it to outpace industry growth
- International technology tie-ups, including three joint ventures, to offer best-in-class products
- Export orders from established international brands and increasing market share

- State-of-the-art manufacturing facility with best-in-class equipment, resulting in a wide product portfolio
- High-quality standards endorsed by global certifications, resulting in growing repeat and referral business

### Weaknesses

- Limited presence in supplying components to the electric vehicle industry currently. However, the Company is building product categories to diversify its presence across the automobile industry

### Opportunities

- The global trend toward electric vehicles is expanding, and Talbros is poised to harness the potential opportunities based on its strong product portfolio, including supplying parts for plug-in hybrid electric vehicles to OEMs globally
- The Company has secured orders from top domestic OEMs for Electric Vehicles, presenting a significant growth opportunity in the rapidly expanding EV market.
- The Company is diversifying its business by expanding into non-automotive segments, which offers new revenue streams and reduces reliance on a single sector.
- Exports present a significant opportunity for the Company to expand its customer base beyond the domestic market, tapping into the growing global demand for automotive components.
- Strong emphasis on R&D and innovation to consistently enhance and adopt newer technologies, complementing its extensive in-house capabilities to develop embedded systems, application software, and integration capabilities for improving customer offerings
- Various initiatives by the government to boost Indian manufacturing units, including PLI, Make in India Campaign, FAME-II, among others

- The increase in the number of market players entering the automotive development and manufacturing space is transitioning India into a global automotive R&D hub
- The Indian Government's target of achieving 20% ethanol blending in petrol by 2025 presents an opportunity for the Company. Talbros has already received orders worth ₹ 150 Crores from multiple passenger vehicle OEMs in India to facilitate the E20 fuel mechanism

### Threats

- Volatility in commodity prices and supply chain disruptions affect the overall cost of manufacturing operations. Adequate mechanisms are necessary to monitor and manage such market risks, changes in commodity prices, hedged or offset, which affect overall business profitability
- Global crises, such as pandemics, economic downturns, or geopolitical tensions could impact demand for vehicles and disrupt global supply chains. It is therefore important for the Company to have contingency plans and diversification strategies in place to mitigate the impact of such crises on its operations and finances

### Financial Performance

Talbros remains poised to capitalise on emerging opportunities and take its business to the next level. The financial performance in the last year is a testament to the Company's resilience, agility, and commitment to excellence. This is what served as a strong foundation for the Company's future growth and success.

During the fiscal year 2022-23, Talbros Automotive Components Limited recorded a turnover of ₹ 647.18 Crores on a standalone basis, indicating a growth of 12.12% compared to 2021-22 where gross turnover stood at ₹ 577.24 Crores. The Company's Profit After Tax (PAT) in 2022-23 was ₹ 43.70 Crores, showcasing an increase of 17.95%, whereas for 2021-22, PAT was ₹ 37.05 Crores. The consolidated total revenues also increased by 12.12% from ₹ 577.24 Crores in 2021-22 to ₹ 647.18 Crores in 2022-23.

**DETAILS OF KEY FINANCIAL RATIOS AND SIGNIFICANT CHANGES THEREIN**

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

Particulars	2022-23	2021-22	Difference	Explanation for change of 25% and more
Inventory Turnover Ratio (times)	2.86	2.89	-0.85%	-
Interest Coverage Ratio	4.02	2.38	69.14%	On account of reduction in debt and repayment thereof, due to availability of internally generated cash in the current year. Further, the profit of the Company increased on account of overall performance leading to improved ratio.
Current Ratio	1.30	1.23	5.97%	-
Debt Equity Ratio	0.27	0.33	-18.72%	-
Operating Profit Margin (%)	14.45%	14.41%	0.27%	-
Net Profit Margin (%)	6.75%	6.42%	5.21%	-
Return on Net Worth	14.80%	15.11%	2.08%	-
Debtors Turnover Ratio (times)	4.04	3.77	7.36%	-

**Human Resource**

The Company recognises the importance of having a talented and dedicated workforce. As such, it invests heavily in equipping its employees with relevant skills to excel in their respective fields of expertise. The Company's partnership-oriented human resources policy goes beyond conventional compensation and performance reviews.

**Employee Work-Life Cycle**

Talbro's evaluates its employees' work-life cycle to ensure that they are productive and motivated. The Company provides inputs that shape an enduring and fruitful career. This approach enables Talbro's to retain its employees and ensure that they have a fulfilling and successful career with the Company.

**Training and Development Programmes**

The Company conducts various training programmes for its employees internally and externally. These programmes aim to nurture employees into leadership positions and cover specialised functions such as manufacturing, quality control, sales and marketing, and information technology. The Company also provides opportunities for employees to attend external training programmes and enhance their skills and knowledge.

**Employee Retention**

Talbro's recognises that employee retention is key to the success of the Company. To this end, the Company offers competitive compensation packages, employee benefits, and opportunities for career growth. Talbro's also fosters a positive work environment, where employees feel valued and appreciated.

**Internal Controls**

The Company recognises the importance of having a robust internal control framework that is commensurate with its size, scale, and complexity. The Company's Internal Audit Department conducts comprehensive audits of functional areas and operations to ensure that policies, procedures, statutory, and regulatory requirements are being followed. Significant audit observations and follow-up actions are reported to the Audit Committee on a quarterly basis. The Audit Committee reviews and evaluates the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. Talbro's has implemented all recommendations of the Audit Committee to ensure a strong internal control system.

The Board of Directors is responsible for ensuring that the Company has implemented robust systems and frameworks of internal financial controls to provide reasonable assurance regarding the adequacy and operating effectiveness of controls concerning reporting, operational, and compliance risks.

**Cautionary Statement**

The statements in the Management Discussion and Analysis section describing organisational objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product

development, market positioning, expenditures and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus, differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.



## FORM NO. AOC-2

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

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

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

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

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

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / Audit Committee, if any:	Amount paid as advances, if any:
QH Talbros Private Limited (Associate Company)	Agreement for Sale & Purchase of products i.e. Gaskets/Forgings and other auto parts	April 01, 2022 to March 31, 2025	Maximum amount of sale upto ₹ 95.00 Crores in one financial year.	June 08, 2021	Nil
QH Talbros Private Limited (Associate Company)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2023 to March 31, 2032	1% of sales in replacement market(Net of taxes) during the period of contract. Amount not exceeding ₹ 1.50 Crores in one financial year.	February 08, 2023	Nil
Nippon Leakless Talbros Private Limited (JV Company)	Sale/ Purchase Agreement of Gaskets to each other.	April 01, 2023 to March 31, 2026	Maximum amount of sale upto ₹ 2.00 Crores in one financial year.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Management Fee Agreement	February 13, 2023 to February 12, 2028	₹ 30.00 Lacs p.a.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Purchase and/ or Sale Agreement of Rubber, Rubber Compound, other chemicals and to do job work for each other	April 01, 2022 to March 31, 2025	Maximum amount of sale/ purchase upto ₹ 60.00 Lacs in one financial year.	June 08, 2021	Nil
Marelli Talbros Chassis Systems Private Limited (JV Company)	Lease Deed for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	March 14, 2022 to March 13, 2027	₹ 2.50 Crores per annum	February 09, 2022	Nil

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / Audit Committee, if any:	Amount paid as advances, if any:
Mrs. Kumkum Talwar (Relative of key managerial personnel)	Lease Deed for the basement premises situated at D-1/36, Vasant Vihar, New Delhi-110057	October 01, 2022 to September 30, 2025	₹ 7.20 Lacs per annum	August 09, 2022	Nil
Talbro's Indiparts Private Limited (Related party)	Rent Agreement for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	April 01, 2021 to March 31, 2024	₹ 20.00 Lacs per annum	June 08, 2021	Nil
Talbro's Indiparts Private Limited (Related party)	Agreement for sale of Company's products in aftermarket	April 01, 2021 to March 31, 2024	₹ 50 Crores per annum for first year and ₹ 60 Crores in the second and third year.	June 08, 2021	Nil
Talbro's Indiparts Private Limited (Related party)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2021 to March 31, 2024	₹ 10.00 Lacs per annum	June 08, 2021	Nil

For and on behalf of the Board

Sd/-

**Umesh Talwar**

Vice Chairman &amp; Managing Director

(DIN: 00059271)

Sd/-

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 16, 2023

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline on CSR Policy of the Company	<p>CSR activities of Talbros is focused to:</p> <ul style="list-style-type: none"> <li>Promote employment enhancing vocational skills for employability of youth.</li> <li>Sustain efforts for supporting socially useful programmes for welfare and sustainable development of the weaker sections of the society especially the children.</li> <li>Any other project or aid which the committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII (Section 135) or as authorised by Government.</li> </ul> <p>Talbros Automotive Components Limited's CSR Policy is in compliance with the provisions of Companies Act, 2013.</p>
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2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i)	Mr. Umesh Talwar	Chairman, Executive Director	2	2
ii)	Mr. Amit Burman	Non-Executive – Independent Director	2	0
iii)	Mr. Navin Juneja	Non-Executive - Non Independent Director	2	2

3.	Provide the web-link (s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	<p>The brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken are placed on the Company's website</p> <p><a href="https://www.talbro.com/policies-codes">https://www.talbro.com/policies-codes</a></p>
4.	Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	<p><b>Not applicable.</b></p> <p>The Company has not undertaken any CSR projects.</p>
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	<b>NIL</b>

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
i)		NIL	
ii)			

6.	Average net profit of the Company as per section 135(5)	₹ 2406.00 Lacs
7	(a) Two percent of average net profit of the Company as per section 135(5)	₹ 48.12 Lacs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b-7c)	₹ 48.12 Lacs
8.	(a) CSR amount spent or unspent for the financial year:	Amount Spent- ₹ 48.12 Lacs Amount Unspent- NIL

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
48,12,000/-	NIL				
	The prescribed amount for CSR activities for the financial year 2022-23 has been duly spent by the Company.				

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

**The Company does not have any ongoing CSR project for the financial year 2022-23.**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

**Details of CSR amount spent for the financial year 2022-23 are provided herein below:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project for FY 2022-23 (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Children Education	Item (ii) and (iii)	Yes	Haryana	Gurugram	5,00,000/-	No	Roshni Education Society	CSR00027052
2.	Children Education and Healthcare	Item (i) and (ii)	Yes	Delhi	Delhi	10,00,000/-	No	Savera Association	CSR00021957
3.	Children Education and Healthcare	Item (i) and (ii)	Yes	Delhi	Delhi	5,00,000/-	No	Servants of the people Society	CSR00011109
4.	Children Education and promoting health care including preventive health care	Item (i) and (ii)	Yes	Delhi	Delhi	5,00,000/-	No	Sapna	CSR00000235
5.	Children Education and enhancing vocation skills in among women and child and livelihood enhancement projects	Item (i) and (ii)	Yes	Delhi	Delhi	5,00,000/-	No	Sarvam Foundation	CSR00025581

## Annexure III

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project for FY 2022-23 (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
6.	Measure for the benefit of Armed Force Veterans	Item (vi)	Yes	Delhi	Delhi	13,12,000/-	No	Armed Forces Flag Day Fund	-
7.	Children Education and Healthcare	Item (i) and (ii)	Yes	Haryana	Gurugram	5,00,000/-	No	The Earth Saviours Foundation	CSR00002026
<b>TOTAL</b>						<b>48,12,000/-</b>			

(d)	Amount spent in Administrative Overheads:	<b>NIL</b>
(e)	Amount spent on Impact Assessment, if applicable	<b>Not Applicable</b>
(f)	Total amount spent for the Financial Year 2022-23	<b>₹ 48,12,000/-</b>
	Excess amount for set off, if any	<b>-</b>

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	<b>48,12,000/-</b>
(ii)	Total amount spent for the Financial Year 2022-23	<b>48,12,000/-</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	<b>NIL</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>NIL</b>
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>NIL</b>

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2021-22	There is no unspent CSR amount for the financial years 2019-20, 2020-21 and 2021-22.					
2.	2020-21						
3.	2019-20						
	TOTAL	NIL	NIL	Not Applicable			Nil



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing

**NOT APPLICABLE**

The Company does not have any ongoing CSR projects for the current or preceding financial year(s).

10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).						Not Applicable	
11.	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)						Not Applicable	

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director

(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 16, 2023

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to 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 Automotive Components Limited**

14/1, Delhi Mathura Road,

P.O. Amar Nagar,

Faridabad, Haryana- 121003

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Talbro Automotive Components Limited for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;\* and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;

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

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

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

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

### I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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/ we 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 labor, environmental and industrial laws, rules, regulations and guidelines.

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

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

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

**Sd/-**

**Kiran Sharma**

Company Secretary

M. No.: 4942

C.P No.: 3116

UDIN: F004942E000307112

Place: New Delhi

Date: May 15, 2023

## Annexure A to the Secretarial Audit Report dated May 15, 2023

To,

The Members

**Talbro Automotive Components Limited**

14/1, Delhi Mathura Road,

P.O. Amar Nagar,

Faridabad, Haryana- 121003

Our Secretarial Audit Report dated May 15, 2023 is to be read 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 the 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 the Management Representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. 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 or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Sd/-**

**Kiran Sharma**

Company Secretary

M. No.: 4942

C.P No.: 3116

UDIN: F004942E000307112

Place: New Delhi

Date: May 15, 2023

# FORM AOC-1

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

**Part "A": Subsidiaries** - Not Applicable to the Company as there is no subsidiary.

**Part "B": Associates and Joint Ventures**

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

(₹ In Lacs)

Sl. No.	Name of Associate/Joint Ventures	Joint Ventures			Associates*	
		Nippon Leakless Talbros Private Limited	Marelli Talbros Chassis Systems Private Limited	Talbros Marugo Rubber Private Limited	QH Talbros Private Limited	Talbros International Private Limited
1	Latest Audited Balance Sheet date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
2	Details of Associates / Joint Ventures where shares held by the Company					
	Total shares issued by the Associates/ Joint Venture	12000000	23560000	19000002	3050000	6552111
	Number of shares held by the Company	4800000	11780000	9500000	177962	1326970
	Amount of Investment in Associates/ Joint Venture (in ₹ Lacs)	480.00	1178.00	950.00	-	650.00
	Extend of Holding % in the Associates/ Joint Venture	40%	50%	50% less one share	5.83%	20.25%
3	Description of how there is significant influence	Joint Venture			No Significant influence	Associate
4	Reason why the associate/joint venture is not consolidated	Consolidated			Shareholding is less than the threshold limit for Consolidation	Not required under the applicable Ind-AS
5	Net worth attributable to Shareholding as per latest audited Balance Sheet (in ₹ Lacs)	3326.29	2981.33	828.85	945.79	884.93
6	Profit/ Loss for the year After Tax before other comprehensive income (in ₹ Lacs)	1179.16	1147.50	283.92	2224.09	427.14
i.	Considered in consolidation (in ₹ Lacs)	471.66	573.75	141.96	-	-
ii.	Not considered in consolidation (in ₹ Lacs)	707.50	573.75	141.96	-	-

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

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director  
(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director  
(DIN: 00628063)

Place: Gurugram  
Date: May 16, 2023

## ANNEXURE –VI

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

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

## A) Conservation of energy

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

- While using Centralize heat exchanger, PNG consumption trend = 12405 SCM  
Individual heat exchanger controls PNG consumption as per desired temp, So ,after implementation of individual heat exchanger.  
PNG consumption reduces to = 9023 SCM  
PNG price per SCM = ₹ 76.89  
So, total saved SCM = 12405-9023 = 3382 SCM  
Batch oven modification cost = ₹ 3 x 3 = ₹ 9 Lacs  
Cost for 10 years = 9/10 = ₹ 90000  
Monthly Cost of oven modification = ₹ 90000/12 = ₹ 7500  
**Monthly Saving in price = ₹ 2,53,541/-**
- Chiller power consumption of 7.5 TR = 10KWH  
Chiller become active on load for maintaining the temp at 15 deg Celcius while using the PHE in chiller and MTC line  
Chiller on load reduces from 24hrs to 20hrs  
So, energy saving is = 24-20 hrs = 4 hrs  
If 10 x 24 = 240 KWH power consumption, then 20 hrs will be = 200KWH  
Power saving = 240-200KWH = 40KWH  
Saving in price = 40x8 = ₹ 320 for a day  
Saving in price = 320\*28 = ₹ 8960 for a month  
**Total saving in price for 2 chillers = ₹ 8960 x 2 =17920/Month ₹ 2,15,040/- Year**

### ii) The capital investment on energy conservation equipment = 16 lac Approx.

## B) Technology absorption

### i) The efforts made towards technology absorption

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



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

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

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

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

**(C) Foreign exchange earnings and Outgo:**

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

<b>PARTICULARS</b>	<b>2022-23 (₹ in Lacs)</b>	<b>2021-22 (₹ in Lacs)</b>
Foreign Exchange Earnings	18470.13	15559.43
Foreign Exchange Outgo (Imports)	10346.45	8772.35

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director

(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 16, 2023

## Annexure VI

## PARTICULARS AS PER FORM A (APPLICABLE FOR FORGING DIVISION ONLY)

	Current year 2022-23 ₹ in Lacs	Previous Year 2021-22 ₹ in Lacs
<b>Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
<b>a) Own Generation</b>		
<b>Through Captive Power Plant (HFO Based)</b>		
LSHS Oil ₹ /Litre	-	-
Furnace Oil ₹/Litre	-	-
HSD Oil ₹/Litre	-	-
Unit (KHW in Lacs)	-	-
Total amount (In ₹)	-	-
Cost ₹/Unit	-	-
<b>Through Captive Power Plant (500kva dg set)</b>	₹	
HSD Oil ₹/Litre	90.70	89
Unit (KHW in Lacs)	0.49	0.36
Total Amount (In ₹)	17.11	7.82
Cost ₹/Unit	34.60	21.71
<b>b) Purchased from DHBVNL</b>		
Unit Consumed (In Lacs)	170.07	178.03
Total Amount (In Lacs)	1297.00	1359.02
Cost ₹ /Unit	7.63	7.63

For and on behalf of the Board

Sd/-

Umesh Talwar

Vice Chairman & Managing Director  
(DIN: 00059271)

Sd/-

Anuj Talwar

Joint Managing Director  
(DIN: 00628063)Place: Gurugram  
Date: May 16, 2023

## ANNEXURE –VII

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	- Ratio of the remuneration of Mr. Umesh Talwar to the median remuneration of the employees - 37:1 - Ratio of the remuneration of Mr. Anuj Talwar - 32:1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Umesh Talwar- NIL Mr. Anuj Talwar- NIL Mr. Manish Khanna- 0.08% Mrs. Seema Narang- 0.11%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	4.72%
(iv)	Number of permanent employees on the rolls of company	610
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 9.45 %.  There was no increase in the managerial remuneration during the year.
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company	The remuneration paid to employees is as per the remuneration policy of the Company.

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director  
(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director  
(DIN: 00628063)

Place: Gurugram  
Date: May 16, 2023

## ANNEXURE –VII (b)

**B. DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.****i) The name of Top Ten employees in terms of remuneration drawn:**

Sl.	Name	Designation	Remuneration (in ₹)	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of employment	Age (in years)	Last employment held	Whether relative of any director or manager
1	Suresh Kumar Sharma	President	82,99,168	Permanent	M.B.A and Mechanical Engineering	37	February 02, 2016	58	Omax Auto	No
2	Vivek Singh	President	55,19,057	Permanent	PPGDM, Finance & IT / B.E Mechanical	25	July 15, 2019	48	AVTEC Limited	No
3	Ajay Singh	Vice President	46,75,828	Permanent	B.E.	34	May 18, 1991	58	Tele Tubes	No
4	Manish Khanna	Chief Financial Officer	40,27,759	Permanent	C.A.	26	June 15, 2016	52	Lee Boy	No
5	Sushant Sindwani	D.G.M	28,20,717	Permanent	M.B.A.	23	June 02, 2014	46	Escorts	No
6	S C Shukla	G.M	24,78,059	Permanent	Diploma	37	November 02, 1992	60	Shree Ram Needle	No
7	Anshu Mehra	G.M	23,59,913	Permanent	M.S.W.	24	September 16, 2015	47	Omax Auto	No
8	Seema Narang	Company Secretary	22,15,516	Permanent	CS, B.Com (Hons)	31	February 22, 2010	56	Aksh Optifibre	No
9	Mohan S. Ambatpure	General Manager Operations	21,69,160	Permanent	B.E. (Prod)	24	January 03, 2022	47	Badve Engg Limited	No
10	Vikas Naruala	G.M	18,03,044	Permanent	B. Tech and M.B.A.	30	December 01, 2022*	50	SATA Vikas India Private Limited	No

\*Mr. Vikas Naruala is employed in Company during 2022-23.

- ii) Employees who were in receipt of remuneration aggregating to ₹ 1,02,00,000/- or more per annum : **None**
- iii) Employees who were in receipt of remuneration aggregating to ₹ 8,50,000/- or more per month: **None**
- iv) Employees who were in receipt of remuneration in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: **None**

**For and on behalf of the Board**

**Sd/-**  
**Umesh Talwar**  
Vice Chairman & Managing Director  
(DIN: 00059271)

**Sd/-**  
**Anuj Talwar**  
Joint Managing Director  
(DIN: 00628063)

Place: Gurugram  
Date: May 16, 2023

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to these ethical standards has set a culture in the Company wherein good Corporate Governance underlines interface with all stakeholders. Talbros Automotive Components Limited (hereinafter referred to as "the Company") is committed to operating sustainably and creating shareholders' value over long term and has a strong corporate governance structure in place to oversee this commitment. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

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

## 2. BOARD OF DIRECTORS

### Composition of the Board

As on March 31, 2023, the Board of Directors comprised of Twelve (12) Directors – Two (2) Executive Directors and Ten (10) Non- Executive Directors out of which Six (6) Directors are Independent Directors including one Woman Director.

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

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

The Directors hold qualifications and possess requisite experience/ skills/ expertise and competencies in

General Corporate Management, Finance, Legal, Banking, Economics and other allied fields as identified by the Board in context of Company's business to function effectively. These skills enable Directors to contribute effectively in making decisions for the Company and these skills for each Director are mentioned in a separate matrix later in this report. Detailed profile of each of the Directors is available on the Company's website viz. [www.talbro's.com](http://www.talbro's.com).

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

During the year 2022-23, no changes took place in the composition of Board of Directors.

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

None of the Directors serve as an Independent Director in more than seven listed companies as per the requirement of Regulation 17A of SEBI Listing Regulations. It is also confirmed that in the opinion of the Board, all the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

### Familiarization Programme

The Independent Directors are familiarized with the Company's business model and the regular Industry updates through presentations in the Board Meetings. Interactive sessions with senior leadership team and functional heads in Board Meetings also enables better understanding of business strategy, operational performance, product offerings and market initiatives etc. The roles, rights and responsibilities of Independent Directors are also updated through discussion in Board

## Report on Corporate Governance (Contd.)

Meetings and are also included in their Appointment letters as posted on Company's website i.e. [www.talbros.com](http://www.talbros.com).

The web link for accessing the familiarization programmes of Independent Directors is <https://www.talbros.com/familiarization-programme-of-independent-directors>

### Relationship between Directors, inter-se

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

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

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

### Number of shares held by Directors as on March 31, 2023

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

Name of Director	No. of Shares held
Mr. Umesh Talwar	1,87,510
Mr. Anuj Talwar	3,75,018

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

Name of Director	No. of Shares held
Mr. Naresh Talwar	2,81,264
Mr. Vidur Talwar	2,81,264
Mr. Navin Juneja	1,953
Mr. Amit Burman	2,627
Mr. Varun Talwar	2,81,264

### Meetings and Attendance

During the year ended March 31, 2023 Five meetings of the Board of Directors were held on the following dates:

(i) May 04, 2022 (ii) May 23, 2022 (iii) August 09, 2022 (iv) November 11, 2022 (v) February 08, 2023

The 65th Annual General Meeting (AGM) was held on September 26, 2022.

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

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Naresh Talwar, (Chairman)	Promoter, Non-Executive	4	Yes
Mr. Umesh Talwar, (Vice Chairman and Managing Director)	Promoter, Executive	5	Yes
Mr. Varun Talwar, (Joint Managing Director)	Executive Non- Independent	4	No
Mr. Anuj Talwar, (Joint Managing Director)	Executive Non- Independent	5	Yes
Mr. Vidur Talwar	Non- Executive Non- Independent	5	No
Mr. Navin Juneja	Non-Executive Non- Independent	5	Yes
Mr. Anil Kumar Mehra	Non-Executive & Independent	4	Yes
Mr. Deepak Jain	Non-Executive & Independent	5	No
Mr. Amit Burman	Non-Executive & Independent	3	No
Ms. Priyanka Gulati	Non-Executive & Independent	5	No
Mr. Ajay Kumar Vij	Non-Executive & Independent	3	No
Mr. Tarun Singhal	Non-Executive & Independent	5	No



## Report on Corporate Governance (Contd.)

### Separate Meeting of Independent Directors

In terms of the requirements of Section 149(8) of the Companies Act, 2013 read with Schedule IV thereto, a separate meeting of the Independent Directors without the attendance of non-independent directors and members of the management was held on February 04, 2023 to review performance of Non-Independent Directors and the Board as a whole and also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of the flow of information between the Company management and the Board.

### DIRECTORSHIPS/COMMITTEE POSITIONS HELD BY THE DIRECTORS

Details of Directorships/Committee positions held by the Directors as on March 31, 2023 in Indian Listed Companies are as follows:

Name of the Directors	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2023			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s) **	Committee Membership(s)*	Committee Chairmanship*	Name of the Company	Category	
Mr. Naresh Talwar, (Chairman)	-	-	-	-	-	Automotive Components Industry
Mr. Umesh Talwar, (Vice Chairman & Managing Director)	-	-	-	-	-	Automotive Components Industry
Mr. Varun Talwar, (Joint Managing Director)	-	-	-	-	-	IT Sector, Auto Components and Health Care Industry
Mr. Anuj Talwar, (Joint Managing Director)	-	-	-	-	-	Corporate Finance, Credit Analysis and Auto Industry
Mr. Vidur Talwar	-	-	-	-	-	Automotive Components Industry
Mr. Navin Juneja	-	-	-	-	-	Financial Management, Corporate Planning, Accounting and Strategic Planning
Mr. Anil Kumar Mehra	2	-	-	-	-	Finance
Mr. Amit Burman	3	1	-	Dabur India Limited	Non-Executive Director	Management and Healthcare Industry
Ms. Priyanka Gulati	1	-	-	-	-	Management Consulting and Entrepreneurship
Mr. Ajay Kumar Vij	1	-	-	-	-	Healthcare Industry

## Report on Corporate Governance (Contd.)

Name of the Directors	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2023			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s) **	Committee Membership(s)*	Committee Chairmanship*	Name of the Company	Category	
Mr. Deepak Jain	5	2	1	RSWM Limited	Non-Executive Independent Director	Automotive Components Industry
				Lumax Auto Technologies Limited	Non-Executive Director	
				Lumax Industries Limited	Promoter, Executive Director	
Mr. Tarun Singhal	-	-	-	-	-	Auto Industry

**Notes:**

\*The committees considered for the purpose are those prescribed under regulation 26 of SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Listed Companies.

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

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

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

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

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

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

## Report on Corporate Governance (Contd.)

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

### Composition, meetings and attendance

The Audit Committee comprises of four members including three Independent Directors viz. i.e. Mr. A. K. Mehra, Mr. Amit Burman, Mr. Navin Juneja and Ms. Priyanka Gulati.

Mr. Anil Kumar Mehra, Non-executive Independent Director of the Company and a Chartered Accountant by qualification, was appointed as Chairman of the Audit Committee of the Company in Board meeting held on November 08, 2021.

All the members of the Audit Committee are financially literate. The Audit Committee satisfies the criteria of two-third of its members being Independent Directors.

Chief Financial Officer, Internal Auditor and Representatives of Statutory Auditors are permanent invitees to the meetings of Audit Committee.

Company Secretary acts as Secretary to the Committee.

During the year ended March 31, 2023, four meetings of the Audit Committee were held on the following dates:

#### (i) May 23, 2022 (ii) August 09, 2022 (iii) November 11, 2022 (iv) February 08, 2023.

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. Anil Kumar Mehra, Chairman	4
Mr. Amit Burman, Member	0
Mr. Navin Juneja, Member	4
Mrs. Priyanka Gulati, Member	4

#### (ii) Nomination & Remuneration Committee

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

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Executive Directors/ Senior Management.

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

### Composition and Attendance

The Nomination & Remuneration Committee consists of three members all being Non-Executive Independent Directors i.e. Mr. A. K. Mehra, Mr. Ajay Kumar Viji and Mr. Tarun Singhal.

## Report on Corporate Governance (Contd.)

The Chairman of the Committee is Mr. A. K. Mehra.

During the year, one meeting of the Nomination & Remuneration Committee was held on February 03, 2023. The detail of attendance of each Committee Member is as under:

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

### Performance Evaluation

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

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

### Remuneration of Directors

#### Executive Directors

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

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

### Details of Remuneration paid to Directors during the year ended March 31, 2023

(Amt. in ₹)

S. No	Name of the Director	Basic Salary	House Rent Allowance	Provident Fund Contribution	Allowances	Superannuation Fund	Total
1.	Mr. Umesh Talwar	90,60,000	63,42,000	10,87,200	9,10,800	99,996	1,74,99,996
2.	Mr. Anuj Talwar	77,52,000	54,26,400	9,30,240	7,91,340	99,996	1,49,99,976
<b>Total</b>		<b>1,68,12,000</b>	<b>1,17,68,400</b>	<b>20,17,440</b>	<b>17,02,140</b>	<b>1,99,992</b>	<b>3,24,99,972</b>

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

Other terms and conditions:

	Mr. Umesh Talwar	Mr. Anuj Talwar
Term of Appointment	Three years, from April 01, 2021 to March 31, 2024	Three years, from August 14, 2021 to August 13, 2024

### Non-Executive Directors

The Non-Executive Independent Directors are paid sitting fee of ₹ 30,000/- for attending every Board Meeting and ₹ 15,000/- for attending every Audit Committee Meeting. They are also entitled for the reimbursement of travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committee thereof or which they may otherwise incur in the performance of their duties as Director.

## Report on Corporate Governance (Contd.)

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

Sitting fee paid for financial year 2022-23 is tabled below:

<b>Name of Non-Executive Director</b>	<b>Sitting Fee (In ₹)</b>
Mr. A. K. Mehra	2,10,000
Mr. Amit Burman	90,000
Mr. Navin Juneja	2,10,000
Ms. Priyanka Gulati	2,10,000
Mr. Ajay Kumar Vij	90,000
Mr. Tarun Singhal	1,50,000
Mr. Deepak Jain	1,50,000
<b>Total</b>	<b>11,10,000</b>

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

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

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

### (iii) Stakeholders' Relationship Committee

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

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

### Composition and Attendance

The Stakeholders' Relationship Committee comprises of 3 Non-Executive Directors i.e. Mr. Navin Juneja, Mr. Anuj Talwar and Mr. Tarun Singhal of which 1 is Independent Director. Mr. Navin Juneja is the Chairman of the Committee.

During the year ended March 31, 2023, four meetings of the Stakeholders' Relationship Committee were held on the following dates:

(i) May 23, 2022 (ii) August 09, 2022 (iii) November 11, 2022 (iv) February 08, 2023

The detail of attendance of each Committee Member is as under:

<b>Name of the Directors</b>	<b>No. of Meetings Attended</b>
Mr. Navin Juneja, Chairman	4
Mr. Anuj Talwar, Member	4
Mr. Tarun Singhal, Member	4

The Committee attends to the investors' grievances/ correspondence expeditiously.

## Report on Corporate Governance (Contd.)

**Status of queries/ complaints received and resolved during the year**

Number of Shareholders' Queries/ Complaints received during the year	109
Number of Shareholders Complaints solved to the satisfaction of Shareholders	109
Number of Shareholders Complaints pending as on March 31, 2023	Nil

**Name and designation of Compliance Officer**

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

**(iv) Corporate Social Responsibility (CSR) Committee**

Corporate Social Responsibility (CSR) Committee of the Board has been constituted in accordance and

in compliance with provisions of Section 135 of the Companies Act, 2013.

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

**Composition and Attendance**

During the year, two meetings of the Corporate Social Responsibility Committee were held on May 23, 2022 and January 09, 2023. The details of attendance of each Committee Member are as under:

Name of Director	No. of meetings attended
Mr. Umesh Talwar, Chairman	2
Mr. Amit Burman, Member	0
Mr. Navin Juneja, Member	2

**4. GENERAL BODY MEETINGS**

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

Financial Year	2019-20	2020-21	2021-22
<b>Venue</b>	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)
<b>Date and Time</b>	September 25, 2020 (Friday), 10.30 A.M.	September 27, 2021 (Monday), 10.30 A.M.	September 26, 2022 (Monday), 11.00 A.M.
<b>Special Resolutions Passed</b>	1. Re-appointment of Mr. Umesh Talwar (DIN:00059271) as Vice Chairman and Managing Director with effect from April 01, 2021 for a period of 3 years. 2. Re-appointment of Mr. Anuj Talwar (DIN: 00628063) as Joint Managing Director with effect from August 14, 2021 for a period of 3 years.	None	1. Appointment of Mr. Deepak Jain (DIN: 00004972) as an Independent Director for a period of five years commencing from December 29, 2021 to December 28, 2026, not liable to retire by rotation.

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



## Report on Corporate Governance (Contd.)

### POSTAL BALLOT

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

### 5. MEANS OF COMMUNICATION

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

The financial results are also posted on the website of the Company i.e. [www.talbro's.com](http://www.talbro's.com).

- b) **Company's Website ([www.talbro's.com](http://www.talbro's.com)):** Detailed information on the Company's business and products; quarterly/ half yearly/ nine months and annual financial results are displayed on the Company's website. The Company's website [www.talbro's.com](http://www.talbro's.com) is a comprehensive reference on Talbro's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, presentations made to institutional investors or to the analysts, registrars and share transfer agents etc.

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

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

All information are filed electronically on online portals of BSE Limited and National Stock Exchange of India Limited.

- e) **Investor Conference Calls:** Every quarter, post announcement of financial results, conference calls are organised with institutional investors and analysts. These calls are addressed by Group CFO and Head of Investor Relations. Transcripts of the calls are hosted on the website of the Company viz. [www.talbro's.com](http://www.talbro's.com)

### 6. GENERAL SHAREHOLDER INFORMATION

#### (i) 66th Annual General Meeting

The 66th Annual General Meeting will be held on Monday, September 25, 2023 at 11:00 a.m. through video conferencing/ other audio-visual means.

#### (ii) Financial Year

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

#### (iii) Book Closure Date

The period of book closure for the purpose of AGM and payment of Dividend for FY 2022-23 is from September 18, 2023 to September 25, 2023 (both days inclusive).

#### (iv) Financial Reporting Calendar:

Un audited Quarterly results for the quarters	Tentative date of Reporting
April – June 2023	mid of August, 2023
July – September 2023	mid of November 2023
October – December 2023	mid of February 2024
January – March 2024	4th week of May 2024

#### Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of 20% on the paid-up equity share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend, if approved by the shareholders, shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of its declaration in addition to the interim dividend @10% i.e. ₹ 1/- per equity shares already paid in March, 2023.

## Report on Corporate Governance (Contd.)

**(v) Listing of Equity Shares on Stock Exchanges**

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

The annual listing fee due to BSE Limited and the National Stock Exchange of India Limited for the year 2023-24 has been duly paid.

ISIN of the Equity Shares of the Company is INE 187D01011.

**(vi) Stock Code**

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

**(vii) Market Price Data**

Months	Share Price at BSE		Share Price at NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-22	565.00	463.70	565.00	451.00
May-22	475.75	385.00	476.00	387.45
Jun-22	526.95	378.15	526.07	378.00
Jul-22	544.55	479.20	544.04	478.08
Aug-22	562.75	452.05	562.70	465.00
Sep-22	511.00	434.65	515.00	435.45
Oct-22	507.95	454.65	508.00	456.05
Nov-22	510.80	435.05	510.00	369.80
Dec-22	592.15	458.75	592.00	458.30
Jan-23	585.00	466.50	584.95	463.85
Feb-23	504.55	394.00	502.50	403.35
Mar-23	445.60	380.10	447.00	385.00

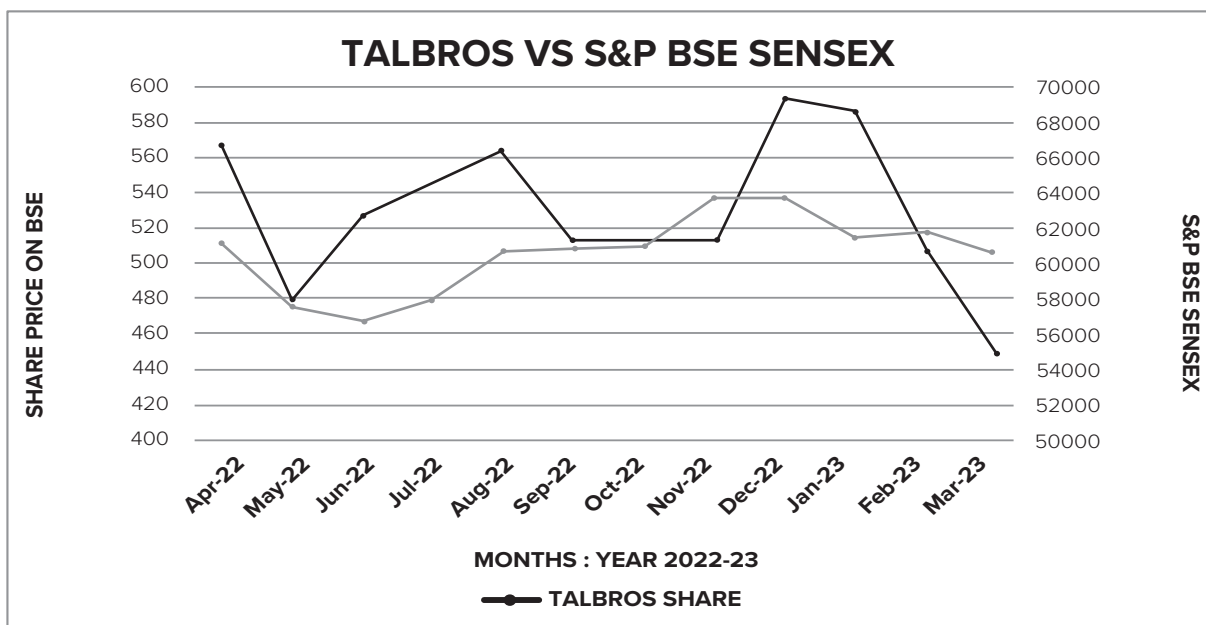
**Performance of the share price of the Company in comparison to BSE Sensex:**

**BSE SENSEX**

Months	Share Price		Sensex	
	High (₹)	Low (₹)	High	Low
Apr-22	565.00	463.70	60,845.1	56,009.07
May-22	475.75	385.00	57,184.21	52,632.48
Jun-22	526.95	378.15	56,432.65	50,921.22
Jul-22	544.55	479.20	57,619.27	52,094.25
Aug-22	562.75	452.05	60,411.2	57,367.47
Sep-22	511.00	434.65	60,676.12	56,147.23
Oct-22	507.95	454.65	60,786.70	56,683.40

## Report on Corporate Governance (Contd.)

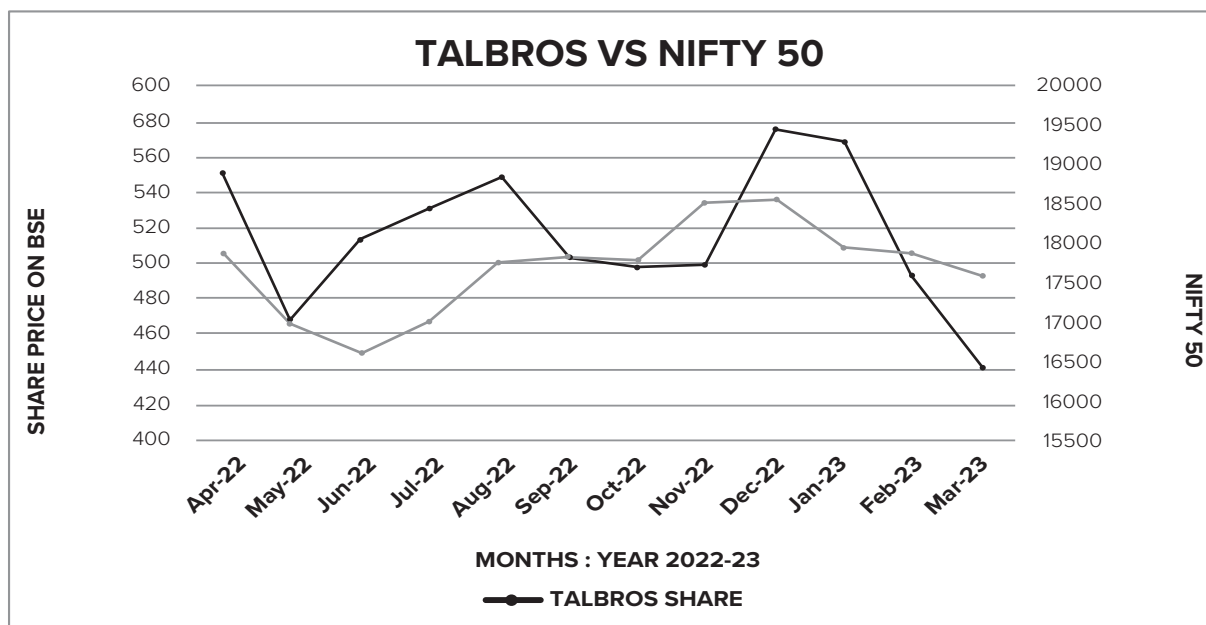
Months	Share Price		Sensex	
	High (₹)	Low (₹)	High	Low
Nov-22	510.80	435.05	63,303.01	60,425.47
Dec-22	592.15	458.75	63,583.07	59,754.10
Jan-23	585.00	466.50	61,343.96	58,699.20
Feb-23	504.55	394.00	61,682.25	58,795.97
Mar-23	445.60	380.10	60,498.48	57,084.91



### NIFTY

Months	Share Price		Nifty	
	High (₹)	Low (₹)	High	Low
Apr-22	565.00	451.00	18,114.65	16,824.7
May-22	476.00	387.45	17,132.85	15,735.75
Jun-22	526.07	378.00	16,793.85	15,183.4
Jul-22	544.04	478.08	17,172.80	15,511.05
Aug-22	562.70	465.00	17,992.20	17,154.8
Sep-22	515.00	435.45	18,096.15	16,747.7
Oct-22	508.00	456.05	18,022.80	16,855.55
Nov-22	510.00	369.80	18,816.05	17,959.2
Dec-22	592.00	458.30	18,887.60	17,774.25
Jan-23	584.95	463.85	18,251.95	17,405.55
Feb-23	502.50	403.35	18,134.75	17,255.2
Mar-23	447.00	385.00	17,799.95	16,828.35

## Report on Corporate Governance (Contd.)

**(viii) Registrar & Transfer Agent**

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

**M/s KFIN Technologies Limited,**

Unit: Talbros Automotive Components Limited,

Karvy Selenium Tower-B, Plot No. 31 & 32,

Financial District, Gachibowli, Nanakramguda, Serilingampally

Hyderabad 500 008, India

Email: [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com)

Website: <https://www.kfintech.com>

**(ix) Share Transfer System**

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

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

Hence, Members holding shares in physical form are requested to dematerialise their holdings immediately. In furtherance to the aforesaid, SEBI vide circular dated November 13, 2021, December 11, 2021 and February 25, 2022 have amended the provisions of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to restrict transmission and transposition of shares through physical form. Accordingly, no request for transfer, transmission and transposition of the shares can be affected in physical form.

## Report on Corporate Governance (Contd.)

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

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

As required under Regulation 40(9) of the SEBI Listing Regulations, the Company obtains a certificate on yearly basis from a Company Secretary-in-Practice, regarding share transfer formalities, which is filed with the stock exchanges.

### (x) Distribution of Shareholding as on March 31, 2023

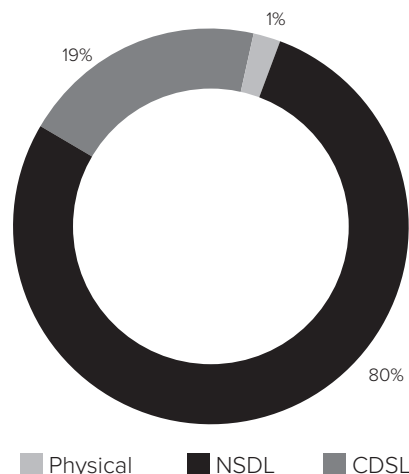
Category ( Amount)		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	36786	96.70	2071058	16.77
5001	10000	706	1.85	535294	4.39
10001	20000	303	0.79	445428	3.60
20001	30000	90	0.23	227958	1.84
30001	40000	50	0.13	174875	1.41
40001	50000	30	0.07	140975	1.14
500001	100000	39	0.10	282408	2.28
100001	Above	35	0.09	8467634	68.58
<b>Total</b>		<b>38039</b>	<b>100.00</b>	<b>12345630</b>	<b>100.00</b>

### (xi) Dematerialisation of Shares and Liquidity as on March 31, 2023

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

**The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2023 is as follows:**

Category	No. of shareholders	No. of Equity Shares	% of Capital
Physical	1437	162499	1.32
NSDL	13616	9852192	79.80
CDSL	22986	2330939	18.88
<b>Total</b>	<b>38,039</b>	<b>12345630</b>	<b>100.00</b>



### (xii) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2023.

## Report on Corporate Governance (Contd.)

### (xiii) Plant Locations of the Company

The Company has three Gasket Manufacturing Facilities besides Forging plant. The addresses are as given below:

Particulars	Address
Gasket Plant I & Registered Office	14/1, Delhi Mathura Road, Faridabad –121003, Haryana
Gasket Plant II	Plot No 68, F-11, MIDC, Pimpri, Pune – 411018
Gasket Plant III	Plot No. B-177, Phase-I, Eldeco- Sidcul Industrial Park Limited, Sitarganj, Uttarakhand - 262405
Forging Division	Plot No. 39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501, Distt. Rewari (Haryana)

### (xiv) Address for Correspondence

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

#### Registered Office

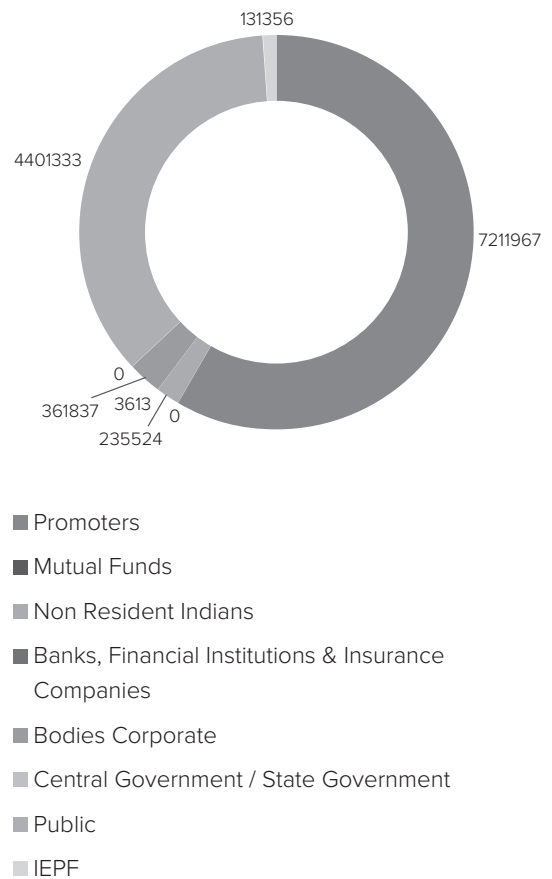
Talbro Automotive Components Limited  
14/1, Delhi Mathura Road, Faridabad –121003  
Tel: +91-129- 2251482/ 2251456/2251400  
Email: [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com)

#### For all matters relating to investor relations please contact:

The Company Secretary & Compliance officer  
Talbro Automotive Components Limited  
14/1, Delhi Mathura Road, Faridabad –121003  
Tel: +91-129- 2251456/ 2251482  
Email: [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com)

### (xv) Shareholding Pattern as on March 31, 2023

Category	No. of Shares	% to equity
Promoters	7211967	58.42
Mutual Funds	-	-
Non Resident Indians	235524	1.91
Banks, Financial Institutions & Insurance Companies	3613	0.03
Bodies Corporate	361837	2.93
Central Government/ State Government	-	-
Public	4401333	35.65
IEPF	131356	1.06
<b>Total</b>	<b>12345630</b>	<b>100.00</b>





## Report on Corporate Governance (Contd.)

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

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

### (xvii) Reconciliation of Share Capital Audit

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

### (xviii) Unclaimed Dividends

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

Year	Date of Declaration	Due date for transfer
2015-16	September 26, 2016	October 24, 2023
2016-17	September 26, 2017	October 24, 2024
2017-18	September 25, 2018	October 23, 2025
2018-19	September 25, 2019	October 23, 2026

Year	Date of Declaration	Due date for transfer
2019-20	September 25, 2020	October 23, 2027
2020-21	September 27, 2021	October 25, 2028
2021-22	September 26, 2021	October 24, 2029

Members who have not encashed their dividend warrants so far in respect of dividend 2013-14 are requested to have the same revalidated to encash and avoid transfer to IEPF as being requested separately by the Company.

### Nomination

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

### (xix) Credit ratings obtained by the Company

Company's credit ratings were revised by CARE Ratings on April 03, 2023, which are mentioned as under:

Facilities	Amount (₹ Crores)	Rating1	Rating Action
Long Term Bank Facilities	125.07	CARE A; Positive (Single A; Outlook: Positive)	Reaffirmed; Outlook revised from Stable
Short Term Bank Facilities	45.00	CARE A1 (A One)	Reaffirmed
<b>Total Facilities</b>	<b>170.07</b> (₹ One Hundred Seventy Crores and Seven Lacs Only)		

## Report on Corporate Governance (Contd.)

### 7. OTHER DISCLOSURES

#### (a) Related Party Transactions

All transactions with Related Parties during the financial year ended March 31, 2023 covered under the Companies Act, 2013 and SEBI Listing Regulations, were at arm's length basis, in the ordinary course of business and in accordance with the shareholders' approval.

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

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

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

#### (c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The employee may also approach the Chairman of the Audit Committee in exceptional circumstances or issues related to whistle blower victimisation. The Whistle Blower Policy is an extension of the Talbros Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames as per Talbros's global Policy. The Company affirms that no personnel have been denied access to the Audit Committee to make any protected disclosure under the Whistle Blower Policy.

#### (d) Compliances by the Company

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

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

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

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

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

The Company has framed a Policy for related party transactions and the same is available on company's website at following link and the details of related party transactions are given in the Notes to the financial statements.

<http://www.talbros.com/related-party-policy/>

#### (g) Risk Management

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

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

## Report on Corporate Governance (Contd.)

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

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

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

No funds have been raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year ended on March 31, 2023.

**(i) Certificate from practicing Company Secretary**

The Company has obtained a certificate from a practicing Company Secretary 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 Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate forms a part of this report.

**(j) Recommendation of the Board's Committees**

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

**(k) Details of total fees paid to Statutory Auditors**

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

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

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

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

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

No complaints have been filed/ disposed of/ pending during the financial year ended March 31, 2023.

**(m) Code of Conduct for prevention of Insider Trading**

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

**(n) Disclosure of accounting treatment**

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

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

**(o) Managing Director/ CFO certification**

The certificate from Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Manish Khanna, Chief Financial Officer of the Company as placed before the Board in terms of Regulation 17(8)

**Report on Corporate Governance (Contd.)**

of the SEBI Listing Regulations is enclosed at the end of this Report.

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

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

**8. ADOPTION OF DISCRETIONARY REQUIREMENTS**

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

**9. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

Your Company has Suspense Escrow Demat Account of the Company titled as "Talbro's Automotive Components Limited - Suspense Escrow Demat Account" opened with HDFC Bank Limited, New Delhi for the purpose of crediting the shares in case the shareholder fails to submit the demat request within 120 days from the date of issuance of Letter of Confirmation.

**10. COMPLIANCE CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE**

The Company has obtained a Compliance Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance. The said certificate is appended.

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE DEFINED UNDER SCHEDULE V TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To**

**The Members of Talbro's Automotive Components Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 06, 2022.
2. We have examined the details of the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2023, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 01, 2022 to March 31, 2023.

**MANAGEMENT'S RESPONSIBILITY FOR COMPLIANCE WITH THE CONDITIONS OF LISTING REGULATIONS**

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 01, 2022 to March 31, 2023. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

**AUDITORS' RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
5. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the mentioned Listing Regulations above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted

Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI') and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**RESTRICTION ON USE**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For J.C. BHALLA & CO.**

Chartered Accountants  
Firm Reg. No. 001111N

**Sd/-  
(Akhil Bhalla)**

Partner

Place: Gurugram  
Date: May 16, 2023

Membership No. 505002  
UDIN: 23505002BGTILA2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

The Members of

**Talbro Automotive Components Limited**

14/1, Mathura Road,

Faridabad- 121003, Haryana

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Talbro Automotive Components Limited having CIN L29199HR1956PLC033107 and having registered office at 14/1, Mathura Road, Faridabad- 121003, Haryana and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

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

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

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

**Sd/-**

**Kiran Sharma**

M. No. 4942

CP No. 3116

Place: New Delhi

Date: May 15, 2023

UDIN: F004942E000307552



## DECLARATION FOR CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2023.

**For Talbro's Automotive Components Limited**

**Sd/-**

**Umesh Talwar**

[Vice Chairman & Managing Director]

DIN: 00059271

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

Place: Gurugram

Date: May 16, 2023

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

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

- A. We have reviewed the financial statements and the cash flow statements of the Talbro's Automotive Components limited for the financial year ended March 31, 2023 and that to the best of our knowledge and belief :
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the years which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there were no deficiencies in the design or operation of internal control which came to our notice.
- D. We have indicated to the auditors and the Audit committee:
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. there were no instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**

**Umesh Talwar**

Vice Chairman and Managing Director

DIN: 00059271

**Sd/-**

**Manish Khanna**

Chief Financial Officer

Place: Gurugram

Date: May 16, 2023

# INDEPENDENT AUDITORS' REPORT

## To the Members of

### Talbro Automotive Components Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Standalone financial statements of **Talbro Automotive Components Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement for Cash Flows for the year ended on that date, and notes to the financial statement including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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

### Basis for Opinion

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

### Key Audit Matters

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

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

### Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we

## Independent Auditors' Report (Contd.)

are required to report that fact. We have nothing to report in this regard.

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

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

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

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

### **Auditor's Responsibilities for the Audit of Standalone Financial Statements**

Our Objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

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

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

## Independent Auditors' Report (Contd.)

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
  - (e) On the basis of the written representations received as on March 31, 2023, taken on record by the Board

of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to Note 38 to the standalone financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred to Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have

## Independent Auditors' Report (Contd.)

- been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 36(B) to the standalone financial statements
- (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year complies with Section 123.
- (c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

### **For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Registration No. 001111N

### **(Akhil Bhalla)**

Partner

Membership No. 505002

UDIN: 23505002BGTIKY9203

Place: Gurugram

Dated: May 16, 2023

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Talbros Automotive Components Limited of even date)**

## **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of **Talbros Automotive Components Limited** (“the Company”) as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by The Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.



## Annexure 'A' To The Independent Auditor's Report (Contd.)

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Registration No. 001111N

### **(Akhil Bhalla)**

Partner

Membership No. 505002

UDIN: 23505002BGTIKY9203

Place: Gurugram

Dated: May 16, 2023

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Talbros Automotive Components Limited of even date)**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment, Right-of-use Assets, Investment Property and Capital Work-in-Progress so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, Right-of-Use Assets, Investment Property and Capital Work-in-Progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed in such verification
  - (c) Based on our examination of the property tax receipts and lease agreements for the land on which the building is constructed and confirmation from the lenders with whom title deeds have been deposited as security for availing the banking facilities, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and Investment Property are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year, except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were less than 10% in aggregate for each class of inventory and the same has been properly dealt within books of account.
  - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in the aggregate, from banks or financial institutions on the basis of security of current assets during the year and the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. Items of reconciliation have been duly identified between the quarterly returns and books of account of the Company.
  - iii. The Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable.
  - iv. In our opinion and according to the information and explanations given to us, the Company has not entered any transaction covered under section 185 of the Act. However, the Company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, regarding the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard. The Company has not accepted any amounts which are deemed to be

## Annexure 'B' To The Independent Auditor's Report (Contd.)

deposits, and hence reporting under clause 3 (v) of the order is not applicable.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund,

Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (₹ In Lacs)	Amount paid under protest (₹ In Lacs)	Period to which the amounts relate	Forum where dispute is pending
Finance Act, 1994	Cenvat-Credit disallowed	8.85		2007-08 to 2010-11	Assistant Commissioner Faridabad
Custom Act, 1962	Demand of Custom Duty	28.12	4.13	FY 2012-13, 2014-15, 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
Custom Act, 1962	Demand of Custom Duty	7.97		2013-14	Deputy Commissioner of Customs, Delhi
Uttarakhand VAT Act, 2005	Value Added tax	38.67		FY 2016-17	Deputy Commissioner

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures.

- (f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures.

- x. (a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable).

## Annexure 'B' To The Independent Auditor's Report (Contd.)

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In our opinion, there are no ongoing projects and accordingly reporting under clause 3(xx)(b) of the Order is not applicable.

**For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner

Membership No. 505002

UDIN: 23505002BGTIKY9203

Place: Gurugram

Dated: May 16, 2023

# BALANCE SHEET

as at March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	March 31, 2023	March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	16,796.34	15,330.72
Capital work in progress	2	477.73	325.02
Investment property	3	282.14	297.96
Intangible assets	4	67.31	92.20
Financial assets			
Investments	5	8,135.32	6,446.14
Other financial assets	7A	279.83	186.00
Non-current tax assets	8	224.05	213.16
Other non-current assets	9A	364.30	452.98
<b>Total non-current assets</b>		<b>26,627.02</b>	<b>23,344.18</b>
<b>Current assets</b>			
Inventories	10	13,253.21	11,425.41
Financial assets			
Trade receivables	11	16,853.21	15,146.66
Cash and cash equivalents	12	528.41	205.55
Other bank balances	13	281.95	332.05
Loans	6	388.20	428.52
Other financial assets	7 B	140.36	233.86
Other current assets	9 B	2,977.58	2,488.82
<b>Total current assets</b>		<b>34,422.92</b>	<b>30,260.87</b>
<b>Total assets</b>		<b>61,049.94</b>	<b>53,605.05</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	1,234.56	1,234.56
Other equity	15	30,988.88	25,608.14
<b>Total equity</b>		<b>32,223.44</b>	<b>26,842.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16 A	608.48	761.68
Lease liabilities	17 A	-	3.72
Other financial liabilities	18 A	22.89	9.05
Provisions	19 A	198.43	204.03
Deferred tax liabilities	20	1,453.21	1,105.06
Other non-current liabilities	21 A	78.86	24.49
<b>Total non-current liabilities</b>		<b>2,361.87</b>	<b>2,108.03</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16 B	8,075.13	8,137.91
Lease liabilities	17 B	5.63	15.00
Trade payables	22		
(i) total outstanding dues of micro enterprises and small enterprises		305.91	103.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16,586.20	15,210.46
Other financial liabilities	18 B	839.76	707.14
Other current liabilities	21 B	531.32	376.32
Provisions	19 B	120.68	103.56
<b>Total current liabilities</b>		<b>26,464.63</b>	<b>24,654.32</b>
<b>Total equity and liabilities</b>		<b>61,049.94</b>	<b>53,605.05</b>
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements	1		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per Akhil Bhalla  
Partner  
Membership No. 505002

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Manish Khanna  
Chief Financial Officer

Place: Gurugram  
Date: May 16, 2023

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Seema Narang  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue</b>			
Revenue from operations	23	64,718.32	57,724.03
Other income	24	619.95	767.36
<b>Total income</b>		<b>65,338.27</b>	<b>58,491.39</b>
<b>Expenses</b>			
Cost of materials consumed	25	35,317.02	31,232.75
Purchase of stock-in-trade	26	496.91	387.65
Changes in inventories of finished goods, stock in trade and work in progress	27	(701.65)	(974.26)
Employee benefits expenses	28	7,069.39	6,510.52
Finance costs	29	1,135.87	1,176.73
Depreciation and amortisation expense	30	2,372.34	2,288.65
Other expenses	31	13,806.99	13,016.75
<b>Total expenses</b>		<b>59,496.87</b>	<b>53,638.79</b>
<b>Profit before exceptional items and tax</b>		<b>5,841.40</b>	<b>4,852.60</b>
<b>Profit before tax</b>		<b>5,841.40</b>	<b>4,852.60</b>
<b>Tax expense</b>	32		
Current tax		1,517.48	1,294.34
Deferred tax		(53.22)	(201.12)
Earlier years tax adjustments (net)		6.81	54.43
<b>Total tax expense</b>		<b>1,471.07</b>	<b>1,147.65</b>
<b>Profit for the year</b>		<b>4,370.33</b>	<b>3,704.95</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		31.25	25.63
Changes in fair value of FVOCI equity instruments		1,689.18	1,692.15
Income tax relating to items that will not be reclassified to profit or loss		(401.38)	(400.65)
<b>Total other comprehensive income for the year</b>		<b>1,319.05</b>	<b>1,317.13</b>
<b>Total comprehensive income for the year</b>		<b>5,689.38</b>	<b>5,022.08</b>
<b>Earnings per equity share (Face value ₹ 10 per share)</b>	33		
Basic (₹)		35.40	30.01
Diluted (₹)		35.40	30.01
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.	1		
This is the statement of profit or loss referred to in our report of even date			

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per Akhil Bhalla  
Partner  
Membership No. 505002

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Manish Khanna  
Chief Financial Officer

Place: Gurugram  
Date: May 16, 2023

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Seema Narang  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

## A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

## B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
<b>Balance as at April 01, 2021</b>	<b>748.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>14,371.85</b>	<b>1,142.84</b>	<b>20,956.43</b>
Profit for the year	-	-	-	3,704.95	-	3,704.95
Other comprehensive income for the year (net of tax impact)	-	-	-	19.19	1,297.94	1,317.13
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(370.37)	-	(370.37)
<b>Balance as at March 31, 2022</b>	<b>798.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>17,675.62</b>	<b>2,440.78</b>	<b>25,608.14</b>
Profit for the year	-	-	-	4,370.33	-	4,370.33
Other comprehensive income for the year (net of tax impact)	-	-	-	23.39	1,295.66	1,319.05
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(308.64)	-	(308.64)
<b>Balance as at March 31, 2023</b>	<b>848.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>21,710.70</b>	<b>3,736.44</b>	<b>30,988.88</b>

This is the statement of changes in equity referred to in our report of even date

### For J.C Bhalla & Co

Chartered Accountants  
Firm Registration No.: 001111N

per **Akhil Bhalla**  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 16, 2023

### For and on behalf of Talbros Automotive Components Limited

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Manish Khanna**  
Chief Financial Officer

**Seema Narang**  
Company Secretary



# STATEMENT OF CASH FLOW

for the year ended March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	5,841.40	4,852.60
Adjustments for:		
Depreciation on property, plant and equipment, investment property and intangible assets	2,372.34	2,288.65
Profit on sale of property, plant and equipment (net)	(43.17)	(96.37)
Interest income	(69.13)	(74.89)
Dividend income	(90.76)	-
Allowance for doubtful debts (net)	146.65	194.85
Unrealised foreign exchange gain	(49.58)	(62.76)
Advances written off	180.60	276.79
Provisions no longer required written back	(180.60)	(273.08)
Finance costs	1,135.87	1,176.73
<b>Operating profit before working capital changes</b>	<b>9,243.62</b>	<b>8,282.52</b>
<b>Movement in working capital</b>		
Change in inventories	(1,827.80)	(1,210.89)
Change in Trade receivables, other financial and non-financial assets	(2,078.60)	(227.96)
Change in Trade payable, other financial and non-financial liabilities	1,856.43	167.78
<b>Cash generated from operating activities post working capital changes</b>	<b>7,193.65</b>	<b>7,011.45</b>
Income tax paid (net)	(1,535.17)	(1,842.62)
<b>Net cash generated from operating activities (A)</b>	<b>5,658.48</b>	<b>5,168.83</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress and intangibles under development)	(4,206.20)	(3,441.11)
Proceeds from sale of property, plant and equipment	383.90	280.02
Movement in other bank balances	(40.61)	578.48
Dividend received	90.76	-
Interest received	67.34	48.00
<b>Net cash used in investing activities (B)</b>	<b>(3,704.81)</b>	<b>(2,534.61)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	609.72	733.63
Repayment of term borrowings	(827.79)	(1,845.70)
Payment towards lease liabilities	(14.21)	(20.26)
Dividend paid	(294.49)	(372.83)
Interest paid	(1,104.04)	(1,198.49)
<b>Net cash used in financing activities (C)</b>	<b>(1,630.81)</b>	<b>(2,703.65)</b>
Increase/ (decrease) in cash and cash equivalents (A+B+C)	322.86	(69.43)
Cash and cash equivalents at the beginning of the year	205.55	274.98
<b>Cash and cash equivalents at the end of the year (Refer note 12)</b>	<b>528.41</b>	<b>205.55</b>

This is the statement of cash flow referred to in our report of even date.

**For J.C Bhalla & Co**  
Chartered Accountants  
Firm Registration No.: 001111N

**For and on behalf of Talbros Automotive Components Limited**

per **Akhil Bhalla**  
Partner  
Membership No. 505002

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Manish Khanna**  
Chief Financial Officer

Place: Gurugram  
Date: May 16, 2023

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Seema Narang**  
Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2023

### 1. CORPORATE INFORMATION

Talbro's Automotive Components Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Company is in the business of manufacturing Gaskets and forging. The Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2023 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 16, 2023.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured using actuarial valuation.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities,

the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.3 Significant accounting policies

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

##### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### b) Inventory

Inventories are valued as follows:

##### **Raw material, stores and spares**

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

##### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided based on the methods given hereunder:

S. No.	Plant	Method of depreciation	
		Straight line	Written down value
1	Gasket Plants at Faridabad, Pune and Sohna (except on items acquired prior to December 31, 1985 at Faridabad Plant)	Plant, machinery and Equipment	All other depreciable Assets
2	Assets acquired prior to December 31, 1985 at Faridabad Plant		All depreciable assets
3	Gasket Plant at Sitarganj, Forging Plant at Bawal and assets transferred to Gasket Plant at Faridabad from erstwhile Rubber Division	All depreciable assets other than vehicles	Vehicles

##### **Work in progress and finished goods**

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### c) Property, plant and equipment

##### *Recognition and initial measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company and the benefit shall be availed over a period of more than 1 year. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	Useful life
Plant, machinery & equipment	22 years
Computers	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Electrical installations	15 years
Mould and dies	6 years
Tube wells	10 years
Canteen equipment	10 years
Air-conditioning plant	10 years

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis on individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

## **d) Intangible assets**

### *Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

### *Subsequent measurement (Amortisation and useful lives)*

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Major computer software	3-5 years
Technical know how	10 years

### *De-recognition*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

## **e) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognised.

*Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognised as at 1 April 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

**f) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit

exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**g) Government grant**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

**h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the leases recognised in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

### i) Foreign currency transactions

#### *Functional and presentation currency*

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional and presentation currency.

#### *Foreign currencies*

#### *Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at exchange rates at the date the transaction first qualifies for recognition.

#### *Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

All other exchange differences are charged to the statement of profit and loss.

### j) Leases

#### *Company as a lessee*

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

#### *Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Company does not have any finance lease as a lessor.

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)****k) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

**l) Revenue recognition**

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

### ***Sale of goods and services***

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue from services is recognised when Company satisfies the performance obligations by transferring the promised services to its customers.

### ***Dividend income***

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### ***Interest income***

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

### ***Export incentives***

Export incentives are accounted on accrual basis.

## **m) Financial instruments**

### ***Recognition and initial measurement***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

### ***Subsequent measurement***

### **Financial assets**

#### **i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:**

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that

are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

#### **ii. Financial assets at fair value**

- **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- Investments in mutual funds - Investments in mutual funds are measured at fair value through profit or loss (FVTPL).

### ***De-recognition of financial assets***

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### ***Financial liabilities***

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities,

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

are subsequently measured at amortised cost using the effective interest method.

***De-recognition of financial liabilities***

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**n) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***Trade receivables***

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over

the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

***Other financial assets***

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**o) Investment in joint ventures**

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**p) Retirement and other employee benefits*****Provident fund***

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

***Gratuity***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

### ***Compensated absence***

Compensated absence, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

### ***Other short-term benefits***

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

### **q) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **r) Taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

### **s) 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.

### **t) Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Company has a present obligation as a result of past event, it is

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

#### **1.4 Significant management judgments in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

##### *Significant management judgments*

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

##### **Provisions, contingent liabilities and contingent assets –**

The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

##### **Evaluation of indicators for impairment of assets –**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Leases** – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

##### *Significant estimates*

##### **Useful lives of depreciable/amortisable assets –**

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

the DBO amount and the annual defined benefit expenses.

### ***Fair value measurements***

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

### **1.5 Standard issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

#### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

## NOTE 2. PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building	Leasehold improvements	Plant and equipment	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
<b>Gross block</b>															
As at April 01, 2021	693.56	413.99	34.23	3,013.79	15.79	22,245.13	418.92	27.80	576.35	443.70	942.67	105.72	10.52	28,942.17	303.96
Additions	-	-	-	154.78	-	2,647.35	265.72	-	54.20	58.68	51.88	-	-	3,232.61	325.02
Disposals/transfers	-	-	-	(15.79)	-	(311.15)	(181.49)	-	-	(21.6)	(0.84)	-	-	(511.43)	(303.96)
<b>Balance as at March 31, 2022</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,152.78</b>	<b>15.79</b>	<b>24,581.33</b>	<b>503.15</b>	<b>27.80</b>	<b>630.55</b>	<b>500.22</b>	<b>993.71</b>	<b>105.72</b>	<b>10.52</b>	<b>31,663.35</b>	<b>325.02</b>
Additions	-	-	-	340.61	-	3,747.63	24.89	-	47.45	22.50	2.27	-	-	4,185.35	477.73
Disposals/transfers	-	-	-	-	-	(1,329.85)	(85.00)	-	(13.48)	(175.28)	(35.97)	-	-	(1,639.58)	(325.02)
<b>Balance as at March 31, 2023</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,493.39</b>	<b>15.79</b>	<b>26,999.11</b>	<b>443.04</b>	<b>27.80</b>	<b>664.52</b>	<b>347.44</b>	<b>960.01</b>	<b>105.72</b>	<b>10.52</b>	<b>34,209.12</b>	<b>477.73</b>
<b>Accumulated depreciation</b>															
As at April 01, 2021	-	58.02	6.07	1,356.31	15.79	11,020.32	311.54	20.37	511.46	383.18	620.19	90.45	9.99	14,403.69	-
Charge for the year	-	4.60	11.42	113.90	-	1,911.77	43.46	6.88	34.75	37.88	71.41	6.57	0.45	2,243.09	-
Disposals/transfers	-	-	-	(15.78)	-	(145.61)	(150.09)	-	-	(2.45)	(0.22)	-	-	(314.15)	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>62.62</b>	<b>17.49</b>	<b>1,454.43</b>	<b>15.79</b>	<b>12,786.48</b>	<b>204.91</b>	<b>27.25</b>	<b>546.21</b>	<b>418.61</b>	<b>691.38</b>	<b>97.02</b>	<b>10.44</b>	<b>16,332.63</b>	<b>-</b>
Charge for the year	-	4.60	11.42	118.02	-	2,032.47	76.88	0.55	46.93	36.55	41.81	2.47	-	2,371.70	-
Disposals/transfers	-	-	-	-	-	(999.39)	(70.47)	-	(13.47)	(175.15)	(33.07)	-	-	(1,291.55)	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>67.22</b>	<b>28.91</b>	<b>1,572.45</b>	<b>15.79</b>	<b>13,819.56</b>	<b>211.32</b>	<b>27.80</b>	<b>579.67</b>	<b>280.01</b>	<b>700.12</b>	<b>99.49</b>	<b>10.44</b>	<b>17,412.78</b>	<b>-</b>
<b>Net block as at March 31, 2023</b>	<b>693.56</b>	<b>346.77</b>	<b>5.32</b>	<b>1,920.94</b>	<b>-</b>	<b>13,179.55</b>	<b>231.72</b>	<b>-</b>	<b>84.85</b>	<b>67.43</b>	<b>259.89</b>	<b>6.23</b>	<b>0.08</b>	<b>16,796.34</b>	<b>477.73</b>
<b>Net block as at March 31, 2022</b>	<b>693.56</b>	<b>351.37</b>	<b>16.74</b>	<b>1,698.35</b>	<b>-</b>	<b>11,794.85</b>	<b>298.24</b>	<b>0.55</b>	<b>84.34</b>	<b>81.61</b>	<b>302.33</b>	<b>8.70</b>	<b>0.08</b>	<b>15,330.72</b>	<b>325.02</b>

(i) Expenditures capitalised in the carrying amount of property plant and equipment

The Company has capitalised the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2023	March 31, 2022
Salaries and wages	187.16	168.32
Depreciation	56.34	42.46
Power and fuel	128.26	99.40
Repairs and maintenance	78.90	59.98
Processing charges and consumable	423.30	271.00
<b>Total</b>	<b>873.96</b>	<b>641.16</b>

## (ii) Contractual obligations

Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## (iii) Assets pledged as security

Refer note 16 for disclosure of property, plant and equipment pledged as securities against borrowings.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 3. INVESTMENT PROPERTY

Particulars	Land	Building	Total
<b>Gross block</b>			
As at April 01, 2021	40.77	512.27	553.04
Additions/transfers	-	-	-
<b>Balance as at March 31, 2022</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
Additions/transfers	-	-	-
<b>Balance as at March 31, 2023</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
<b>Accumulated depreciation</b>			
As at April 01, 2021	-	239.09	239.09
Charge for the year	-	15.99	15.99
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>255.08</b>	<b>255.08</b>
Charge for the year	-	15.82	15.82
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>270.90</b>	<b>270.90</b>
<b>Net block as at March 31, 2023</b>	<b>40.77</b>	<b>241.37</b>	<b>282.14</b>
<b>Net block as at March 31, 2022</b>	<b>40.77</b>	<b>257.19</b>	<b>297.96</b>

#### (i) Amount recognized in profit and loss for investment property

Particulars	March 31, 2023	March 31, 2022
Rental income	213.82	198.64
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment property before depreciation</b>	<b>213.82</b>	<b>198.64</b>
Less: depreciation expense	15.82	15.99
<b>Profit from leasing of investment property after depreciation</b>	<b>198.00</b>	<b>182.65</b>

\*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

#### (ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 39 (ii) for details on future minimum lease rentals.

#### (iii) Fair value of investment property:

Particulars	March 31, 2023	March 31, 2022
Fair value	687.65	594.86

The Company obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Company considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE 4. INTANGIBLE ASSETS**

Particulars	Computer software	Technical know-how	Total
<b>Gross block</b>			
As at April 01, 2021	437.13	508.18	945.31
Additions	3.30	37.41	40.71
Disposals	(2.02)	(60.22)	(62.24)
<b>Balance as at March 31, 2022</b>	<b>438.41</b>	<b>485.37</b>	<b>923.78</b>
Additions	7.48	8.79	16.27
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>401.96</b>	<b>494.16</b>	<b>896.12</b>
<b>Accumulated amortisation</b>			
As at April 01, 2021	347.46	474.33	821.79
Amortisation charge for the year	54.46	17.57	72.03
Disposals	(2.02)	(60.22)	(62.24)
<b>Balance as at March 31, 2022</b>	<b>399.90</b>	<b>431.68</b>	<b>831.58</b>
Amortisation charge for the year	22.20	18.96	41.16
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>378.17</b>	<b>450.64</b>	<b>828.81</b>
<b>Net block as at March 31, 2023</b>	<b>23.79</b>	<b>43.52</b>	<b>67.31</b>
<b>Net block as at March 31, 2022</b>	<b>38.51</b>	<b>53.69</b>	<b>92.20</b>

**Notes:**

(i) Intangibles under development comprise of the softwares under development.

**(ii) Research and development expenses**

Refer note 41 for expenses incurred on research and development activities.

**NOTE 5. INVESTMENTS**

	As at March 31, 2023	As at March 31, 2022
<b>A Investments</b>		
<b>(i) Investments in equity instruments</b>		
<b>Joint ventures</b>		
<b>(Unquoted, at cost)</b>		
Nippon Leakless Talbros Private Limited 4,800,000 shares (March 31, 2022: 4,800,000 shares) of ₹ 10 each	480.00	480.00
Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2022: 11,780,000 shares) of ₹ 10 each	1,178.00	1,178.00
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2022: 9,500,000 shares) of ₹ 10 each	950.00	950.00

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 5. INVESTMENTS (CONTD.)

	As at March 31, 2023	As at March 31, 2022
<b>Others</b>		
<b>(Unquoted, at fair value through other comprehensive income)</b>		
QH Talbros Private Limited 177,962 shares (March 31, 2022: 177,962 shares) of ₹ 10 each	90.33	20.39
Talbros International Private Limited 1,326,970 shares (March 31, 2022: 1,326,970 shares) of ₹ 10 each	5,325.93	3,748.43
T & T Motors Limited 83,333 shares (March 31, 2022: 83,333 shares) of ₹ 10 each	111.06	69.32
	<b>8,135.32</b>	<b>6,446.14</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	8,135.32	6,446.14
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2023	As at March 31, 2022
Nippon Leakless Talbros Private Limited	India	40.00%	40.00%
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

\* Equity investments in joint ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

### NOTE 6. LOANS - CURRENT

(Unsecured, considered good)

Inter-corporate deposits	388.20	428.52
	<b>388.20</b>	<b>428.52</b>

### NOTE 7.

#### A Other financial assets - non-current

(Unsecured, considered good)

Security deposits	151.68	150.14
Bank deposits with more than 12 months maturity*	128.15	35.86
	<b>279.83</b>	<b>186.00</b>

\*Under lien with banks as security against borrowings.

#### B Other financial assets - current

(Unsecured, considered good)

Recoverable from employees	39.01	83.51
Security deposits	27.67	24.13
Derivative assets on forward contracts	-	52.56
Claims and other recoverable	73.68	73.66
	<b>140.36</b>	<b>233.86</b>

### Note 8.

Non-current tax assets	March 31, 2023	March 31, 2022
Advance income tax	1,741.53	2,586.25
Less: Provision for taxation	(1,517.48)	(2,373.09)
	<b>224.05</b>	<b>213.16</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE 9.****A Other non-current assets**

	March 31, 2023	March 31, 2022
Prepaid expenses	6.18	8.43
Accrued lease income	3.86	5.80
Capital advances	354.26	438.75
	<b>364.30</b>	<b>452.98</b>

**B Other current assets**

Advances to suppliers		
- Considered good	605.07	395.44
- Considered doubtful	36.84	36.84
Balance with government authorities		
- Considered good	818.87	1,015.53
- Considered doubtful	123.10	142.84
Prepaid expenses	128.53	113.39
Surplus planned assets	310.08	218.77
Accrued lease income	1.95	0.20
Others	1,113.08	745.49
	<b>3,137.52</b>	<b>2,668.50</b>
Less : Provision for doubtful advances	(159.94)	(179.68)
	<b>2,977.58</b>	<b>2,488.82</b>

**NOTE 10. INVENTORIES**

<b>(Lower of cost or net realisable value)</b>		
Raw material	5,482.70	4,490.24
Work in progress	4,923.52	4,273.28
Finished goods including Stock in Trade	2,265.94	2,214.53
Stores and spares	581.05	447.36
	<b>13,253.21</b>	<b>11,425.41</b>
<b>i) The above includes goods in transit as under:</b>		
Raw material	1,343.66	980.37
Stores and spares	21.36	16.92
	<b>1,365.02</b>	<b>997.29</b>

**NOTE 11. TRADE RECEIVABLES\***

Trade receivables - considered good, unsecured	16,853.21	15,146.66
Trade receivables - credit impaired	388.39	402.59
	<b>17,241.60</b>	<b>15,549.25</b>
Less: Allowance for expected credit loss	(388.39)	(402.59)
	<b>16,853.21</b>	<b>15,146.66</b>
<b>Includes trade receivables from companies in which directors are interested^</b>		
Talbro Marugo Rubber Private Limited	31.82	26.45
QH Talbro Private Limited	1,760.03	2,130.15
Talbro Indiparts Private Limited	891.66	647.79

\*Refer note 42 for ageing details.

^Refer note 37 for related party transactions

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 35.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 12. CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash on hand	8.87	5.81
Balances with banks		
- in current accounts	415.74	98.28
Deposits with original maturity less than 3 months	103.80	101.46
	<b>528.41</b>	<b>205.55</b>

### NOTE 13. OTHER BANK BALANCES

Term deposits	3.18	4.68
Margin money deposits (under lien with banks)	244.51	307.26
Earmarked balances with banks		
- Unpaid dividend account	34.26	20.11
	<b>281.95</b>	<b>332.05</b>

### NOTE 14. EQUITY SHARE CAPITAL

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>i Authorised</b>				
Equity shares of ₹ 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	<b>2,00,00,000</b>	<b>2,000.00</b>	<b>2,00,00,000</b>	<b>2,000.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	1,23,45,630	1,234.56	1,23,45,630	1,234.56
	<b>1,23,45,630</b>	<b>1,234.56</b>	<b>1,23,45,630</b>	<b>1,234.56</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
Equity shares				
Balance at the beginning of the year	1,23,45,630	1,234.56	1,23,45,630	1,234.56
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,23,45,630</b>	<b>1,234.56</b>	<b>1,23,45,630</b>	<b>1,234.56</b>

#### iv Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE 14. EQUITY SHARE CAPITAL (CONTD.)****v Details of equity shares held by shareholders holding more than 5% shares in the Company**

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	%	No. of shares	%
<b>Name of the equity shareholders</b>				
Talbro International Private Limited	52,93,527	42.88%	52,71,548	42.70%

**vi** There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

**vii** There are no shares reserved for issue under options or other purpose.

**NOTE 15. OTHER EQUITY**

	As at March 31, 2023	As at March 31, 2022
General reserve	848.23	798.23
Retained earnings	21,710.70	17,675.62
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	3,736.44	2,440.78
<b>Total other equity</b>	<b>30,988.88</b>	<b>25,608.14</b>

**Nature and purpose of other reserves****i General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

**ii Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**iii Capital reserve**

Capital reserve includes the amount of share application money forfeited by the Company.

**iv Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

**v Equity instruments through other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 16.

#### A Long term borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>Term Loans</b>		
<b>From banks - Rupee loan</b>		
- HDFC bank	165.91	452.03
- Kotak Mahindra bank	20.75	147.02
- Yes bank	331.76	-
- Vehicle Loans	45.58	77.05
<b>From Others</b>		
- Vehicle loans	44.48	85.58
	608.48	761.68
<b>Amount disclosed under other financial liabilities and Short-term borrowings:</b>		
Current maturity of long-term debts	561.25	829.60
Interest accrued on borrowings	63.81	35.05

#### Notes:

- The Company has taken vehicle loans from banks and others. The amount is secured against moveable fixed assets.
- Term Loan from Kotak Mahindra Bank is secured by first charge on fixed assets to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors.
- Term loan from HDFC Bank is secured by exclusive charge on all the fixed assets purchased out of proceeds of term loan and is further secured by personal guarantee of two directors for takeover portion of TL from Bajaj Finserv only.
- Term Loan from Yes bank Limited is secured by first charge on fixed assets to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2023	March 31, 2022
<b>Term loans, secured</b>				
<b>From banks - Rupee loan</b>				
HDFC Bank	Repayment within 36 monthly instalment from the date of disbursement.	7.15% to 8.15%	165.91	452.03
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	7.10% to 7.10%	45.58	77.05

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE 16. (CONTD.)**

Particulars	Terms of repayment	Interest Rat	March 31, 2023	March 31, 2022
Kotak Mahindra Bank	48 equal monthly installment after 12 months moratorium period from the date of first disbursement.	7.55% to 8.95%	20.75	147.02
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	8.50% to 9.50%	331.76	-
From others: Vehicle Loans	36 equal monthly installments from the date of loan	6.99% to 7.85%	44.48	85.58
			<b>608.48</b>	<b>761.68</b>

	As at March 31, 2023	As at March 31, 2022
<b>B Short term borrowings</b>		
Current maturity of long-term borrowings	561.25	829.60
<b>Secured</b>		
<b>a) Working capital loan from bank</b>		
HDFC Bank*	3,770.18	3,636.27
DBS Bank*	79.47	350.00
Yes Bank*	300.00	300.00
Axis Bank*	1,527.35	1,567.68
Federal Bank *	1,836.88	1,454.36
	<b>8,075.13</b>	<b>8,137.91</b>

**Notes:**

\* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

**Short-term borrowings (excluding current maturities of long-term borrowings)**

Particulars	Terms of repayment	Interest Rate	March 31, 2023	March 31, 2022
<b>Working capital loan, secured</b>				
HDFC Bank	Within 365 days	4.00% -9.85%	3,770.18	3,636.27
DBS Bank	Within 365 days	4.25%-9.05%	79.47	350.00
Yes Bank	Within 365 days	4.95% - 5.20%	300.00	300.00
Axis Bank	Within 365 days	6.25% -8.95%	1,527.35	1,567.68
Federal Bank	Within 365 days	4.00% - 8.95%	1,836.88	1,454.36
			<b>7,513.88</b>	<b>7,308.31</b>



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 16. SHORT TERM BORROWINGS (CONTD.)

#### C Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings^	Total
<b>As at March 31, 2022</b>	<b>18.72</b>	<b>1,591.28</b>	<b>7,325.33</b>	<b>8,935.32</b>
<b>Cash flow:</b>				
- Proceeds from Borrowings	-	406.24	203.48	<b>609.72</b>
- Repayment (including matured deposits)	(14.21)	(827.79)	-	<b>(842.00)</b>
<b>Other non-cash movements:</b>				
- Accrual of interest on lease liabilities	1.12	-	-	<b>1.12</b>
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>1,169.73</b>	<b>7,528.81</b>	<b>8,704.17</b>

^including unclaimed matured deposits

	As at March 31, 2023	As at March 31, 2022
<b>NOTE 17.</b>		
<b>A Lease liabilities - non-current</b>		
Lease liabilities	-	3.72
	<b>-</b>	<b>3.72</b>
<b>B Lease liabilities - current</b>		
Lease liabilities	5.63	15.00
	<b>5.63</b>	<b>15.00</b>

#### NOTE - 18

##### A Other financial liabilities - non-current

Security deposits	22.89	9.05
	<b>22.89</b>	<b>9.05</b>

##### B Other financial liabilities - current

Derivative liability on forward contracts	37.30	-
Interest accrued on borrowings	63.81	35.05
Employee related payables	609.92	573.82
Security deposits	67.09	32.48
Unclaimed dividend	34.26	20.11
Unclaimed matured deposits	14.93	17.02
Other payables	12.45	28.66
	<b>839.76</b>	<b>707.14</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
<b>NOTE 19.</b>		
<b>A Provisions - non-current</b>		
Employees' post retirement/long-term benefits		
Compensated absences	198.43	204.03
	<b>198.43</b>	<b>204.03</b>
For movements in each class of provision during the financial year, refer note 40.		
<b>B Provisions - current</b>		
Employees' post retirement/long-term benefits		
Compensated absences	120.68	103.56
	<b>120.68</b>	<b>103.56</b>
For movements in each class of provision during the financial year, refer note 40.		
<b>NOTE - 20</b>		
<b>Deferred tax liabilities</b>		
<b>Deferred tax liabilities arising on account of :</b>		
Depreciation	541.72	582.31
Equity instruments carried at FVOCI	1,134.81	741.30
Others	11.44	10.58
<b>Deferred tax asset arising on account of :</b>		
Allowance for doubtful debts and advances	138.00	149.21
Disallowances u/s 43B	96.76	79.92
	<b>1,453.21</b>	<b>1,105.06</b>

Particulars	March 31, 2022	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2023
Deferred tax liability:					
Depreciation	582.31	-	(40.59)	-	541.72
Equity instruments carried at FVOCI	741.30	-	-	393.51	1,134.81
Others	10.58	-	0.86	-	11.44
Deferred tax asset:					
Allowance for doubtful debts and advances	149.21	-	(11.21)	-	138.00
Disallowances u/s 43B	79.92	-	24.70	(7.87)	96.76
	<b>1,105.06</b>	-	<b>(53.22)</b>	<b>401.38</b>	<b>1,453.21</b>

**Note:**

<b>(i) Breakup of amounts recognised in statement of profit and loss:</b>		March 31, 2023	March 31, 2022
Recognised as part of:			
-	Deferred tax	(53.22)	(201.12)
		<b>(53.22)</b>	<b>(201.12)</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 21

	As at March 31, 2023	As at March 31, 2022
<b>A Other non-current liabilities</b>		
Deferred income	5.59	1.40
Advance from customers	73.27	11.90
Amount payable government authorities	-	11.19
	<b>78.86</b>	<b>24.49</b>
<b>B Other current liabilities</b>		
Advance from customers <sup>^</sup>	285.00	156.68
Payable to statutory authorities	232.92	194.75
Deferred income	2.21	0.60
Amount payable government authorities	11.19	24.29
	<b>531.32</b>	<b>376.32</b>
<sup>^</sup> represents contract liabilities		
Reconciliation of contract liabilities:		
Contract liabilities at the beginning of the year	168.58	180.59
Less: performance obligations satisfied in current year	(95.32)	(128.09)
Add: advance received during the year	285.01	116.08
<b>Contract liabilities at the end of the year</b>	<b>358.27</b>	<b>168.58</b>

### NOTE 22.

#### Trade payables\*

Total outstanding dues of micro enterprises and small enterprises	305.91	103.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,586.20	15,210.46
	<b>16,892.11</b>	<b>15,314.39</b>

\*Refer note 37 for related party transactions and note 42 for ageing details.

The Company has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2023 and March 31, 2022:

Particulars	March 31, 2023	March 31, 2022
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	305.91	103.93
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE 23. REVENUE FROM OPERATIONS**

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from operations</b>		
Sale of products	60,645.73	54,151.86
Sale of services	33.43	64.54
Other operating income	4,039.16	3,507.63
	<b>64,718.32</b>	<b>57,724.03</b>
<b>Disaggregation of revenue:</b>		
Gaskets	40,215.94	35,334.45
Forgings	20,429.82	18,817.45
Management fees	33.40	64.50
Others	4,039.16	3,507.63
	<b>64,718.32</b>	<b>57,724.03</b>

**NOTE 24. Other income**

Interest income on:		
- Inter corporate deposits	48.00	48.35
- Fixed deposits with banks	20.87	25.05
- Other financial assets at amortised cost	0.20	0.19
- Others	0.05	1.30
Dividend income from:		
- Related parties	90.76	-
- Others	-	-
Royalty	112.99	95.27
Lease rentals	213.82	198.64
Net gain on foreign currency transactions and translation	-	239.25
Profit on sale of property, plant and equipment (net)	43.17	96.37
Other non-operating income	90.09	62.94
	<b>619.95</b>	<b>767.36</b>

**NOTE 25. COST OF MATERIALS CONSUMED**

Opening inventory	4,490.24	4,280.12
Add: Purchases	36,309.48	31,442.87
	<b>40,799.72</b>	<b>35,722.99</b>
Less: Closing inventory	5,482.70	4,490.24
	<b>35,317.02</b>	<b>31,232.75</b>
<b>Cost of raw materials consumed include:</b>		
Tinplate/P.C.R.C.A/steel/copper	8,893.99	8,631.29
Jointing	7,918.76	6,865.04
Forging steels	10,907.39	10,051.97
Bought out auto components and parts	4,869.50	3,925.21
Others	2,727.38	1,759.24
	<b>35,317.02</b>	<b>31,232.75</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 26

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Purchase of stock-in-trade</b>		
Dyna bond	496.91	387.65
	<b>496.91</b>	<b>387.65</b>

### NOTE - 27

<b>Change in inventories of finished goods, work in progress and stock-in-trade</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade)	2,265.94	2,214.53
Work-in-progress	4,923.52	4,273.28
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade)	2,214.53	1,399.45
Work-in-progress	4,273.28	4,114.10
<b>Net decrease</b>	<b>(701.65)</b>	<b>(974.26)</b>

### NOTE - 28

<b>Employee benefits expense</b>		
Salaries and wages	6,268.21	5,800.94
Contributions to provident and other fund	287.31	283.13
Staff welfare expenses	513.87	426.45
	<b>7,069.39</b>	<b>6,510.52</b>

### NOTE - 29

<b>Finance costs</b>		
Interest on borrowings	1,041.68	1,063.87
Interest on lease liabilities	1.12	2.49
Interest on others	1.95	2.45
Other borrowing cost	91.12	107.92
	<b>1,135.87</b>	<b>1,176.73</b>

### NOTE - 30

<b>Depreciation and amortisation expense</b>		
Depreciation on:		
- Property plant and equipment^	2,371.70	2,243.09
- Investment property	15.82	15.99
Amortisation of:		
- Intangible assets	41.16	72.03
	<b>2,428.68</b>	<b>2,331.11</b>
Less: depreciation capitalised	56.34	42.46
	<b>2,372.34</b>	<b>2,288.65</b>

^Includes depreciation on right of use assets ₹ 16.57 Lacs (previous year ₹ 22.90 Lacs )

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

## NOTE - 31

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Other expenses</b>		
Consumption of stores and spares parts	4,552.42	3,936.43
Labour and processing charges	779.82	648.16
Royalty	35.36	21.40
Power and fuel	2,002.36	2,120.33
Rent	19.94	9.34
Repairs to buildings	176.33	93.89
Repairs to plant & machinery	629.04	561.55
Repairs to other assets	257.83	276.21
Insurance	175.21	143.36
Travelling, tour & conveyance	782.47	584.75
Sales promotion expenses	317.30	294.01
Packing, freight & forwarding	2,899.77	3,382.80
Rates and taxes	24.70	20.55
Corporate social responsibility expenditure	48.12	40.37
Allowance for doubtful trade receivables/advances	146.65	194.85
Advances written off	180.60	276.79
Provisions no longer required written back	(180.60)	(273.08)
Legal and professional	199.34	188.53
Payment to auditors:		
-As Auditors:		
Audit fee	14.73	11.80
Tax audit fee	2.00	2.42
-In other capacity:		
Limited review	3.00	1.76
Other services	0.28	0.28
Out of pocket expenses	2.80	0.58
Donation	-	11.30
Net loss on foreign currency transactions & translation	127.30	-
Miscellaneous expenses	610.22	468.37
	<b>13,806.99</b>	<b>13,016.75</b>

## i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- a) Gross amount required to be spent by the Company during the year is ₹ 48.12 Lacs (March 31, 2022: ₹ 40.37 Lacs).
- b) Amount spent during the financial year ended March 31, 2023 and March 31, 2022 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2023	-	-	-
	March 31, 2022	0.61	-	0.61
Donation paid to charitable trust	March 31, 2023	48.12	-	48.12
	March 31, 2022	39.76	-	39.76

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 32 INCOME TAX

	Year ended March 31, 2023	Year ended March 31, 2022
Tax expense comprises of:		
Current tax	1,517.48	1,294.34
Deferred tax charge	(53.22)	(201.12)
Earlier years tax adjustments (net)	6.81	54.43
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,471.07</b>	<b>1,147.65</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168 % and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>5,841.40</b>	<b>4,852.60</b>
At India's statutory income tax rate of 25.168%	1,470.17	1,243.48
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Impact of different rate of tax	-	3.26
Earlier years tax adjustments (net)	6.81	54.43
Others	(5.91)	(153.52)
<b>Income tax expense</b>	<b>1,471.07</b>	<b>1,147.65</b>

### NOTE - 33

Earnings per share (EPS)		
Profit attributable to equity shareholders	4,370.33	3,704.95
Profit attributable to equity shareholders adjusted for the effect of dilution	4,370.33	3,704.95
Weighted average number of equity shares for Basic EPS	1,23,45,630	1,23,45,630
Weighted average number of equity shares for Diluted EPS	1,23,45,630	1,23,45,630
(1) Basic	35.40	30.01
(2) Diluted	35.40	30.01

### NOTE - 34

Fair value disclosures

#### (i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 34 (Contd.)****(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Investments at FVOCI	-	-	5,527.32	5,527.32
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>5,527.32</b>	<b>5,527.32</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	37.30	-	37.30
<b>Total financial liabilities</b>	<b>-</b>	<b>37.30</b>	<b>-</b>	<b>37.30</b>
<b>March 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Investments at FVOCI	-	-	3,838.14	3,838.14
Derivative Asset on forward contracts	-	52.56	-	52.56
<b>Total financial assets</b>	<b>-</b>	<b>52.56</b>	<b>3,838.14</b>	<b>3,890.70</b>

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of net asset value for mutual funds on the basis of the statement received from investee party.
- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

**(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.**

<b>Particulars</b>	<b>Fair value as at</b>		<b>Significant unobservable inputs</b>	<b>Data inputs</b>		<b>Sensitivity*</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>		<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>1% increase in inputs</b>	<b>1% decrease in inputs</b>
Unquoted equity shares	5,527.32	3,838.14	Terminal growth rate	5%	5%	March 31, 2023: ₹ 5,736 Lacs March 31, 2022: - ₹ 4,142.00 Lacs"	March 31, 2023: ₹ 5,384 Lacs March 31, 2022: - ₹ 3,597.00 Lacs

*\*Sensitivity has been considered for mentioned inputs, keeping the other variables constant***(v) The following table presents the changes in level 3 items for the year ended March 31, 2023 and March 31, 2022:**

<b>Particulars</b>	<b>Equity shares</b>
<b>As at March 31, 2021</b>	<b>2,146.00</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,692.14
<b>As at March 31, 2022</b>	<b>3,838.14</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,689.18
<b>As at March 31, 2023</b>	<b>5,527.32</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 34 (CONTD.)

#### (vi) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2023		March 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	151.68	151.68	150.14	150.14
Other financial assets	Level 3	128.15	128.15	35.86	35.86
<b>Total financial assets</b>		<b>279.83</b>	<b>279.83</b>	<b>186.00</b>	<b>186.00</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	1,233.54	1,233.54	1,626.33	1,626.33
Other financial liabilities	Level 3	22.89	22.35	9.05	9.16
<b>Total financial liabilities</b>		<b>1,256.43</b>	<b>1,255.89</b>	<b>1,635.38</b>	<b>1,635.49</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

### NOTE - 35 FINANCIAL RISK MANAGEMENT

#### (i) Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	-	5,527.32	-	-	3,838.14	-
Trade receivables	-	-	16,853.21	-	-	15,146.66
Loans	-	-	388.20	-	-	428.52
Cash and cash equivalents	-	-	528.41	-	-	205.55
Other bank balances	-	-	281.95	-	-	332.05
Other financial assets	-	-	240.84	52.56	-	193.03
Security deposits	-	-	179.35	-	-	174.27
<b>Total financial assets</b>	<b>-</b>	<b>5,527.32</b>	<b>18,471.96</b>	<b>52.56</b>	<b>3,838.14</b>	<b>16,480.08</b>
<b>Financial liabilities</b>						
Borrowings	-	-	8,747.42	-	-	8,934.64
Lease liabilities	-	-	5.63	-	-	18.72
Trade payables	-	-	16,892.11	-	-	15,314.39
Other financial liabilities	37.30	-	761.54	-	-	681.14
<b>Total financial liabilities</b>	<b>37.30</b>	<b>-</b>	<b>26,406.70</b>	<b>-</b>	<b>-</b>	<b>24,948.89</b>

\*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 35 FINANCIAL RISK MANAGEMENT (CONTD.)****(ii) Risk management framework**

The Company's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**(A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 35 (Contd.)

Assets under credit risk –

Credit rating	Particulars	March 31, 2023	March 31, 2022
A: Low	Loans	388.20	428.52
	Other financial assets	420.18	367.30
	Cash and cash equivalents	528.41	205.55
	Other bank balances	281.95	332.05
B: Medium	Trade receivables	17,241.60	15,549.25

#### *Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### *Trade receivables*

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

#### *Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### b) Expected credit losses

#### *Trade receivables*

- (i) The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2023		March 31, 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	16,540.11	701.49	14,950.09	599.16
Expected loss rate	2.23%	2.80%	2.54%	3.71%
Expected credit loss (loss allowance provision)	368.72	19.67	380.39	22.20

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**Note - 35 (Contd.)**

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

<b>Reconciliation of loss allowance</b>	<b>Trade receivables</b>
<b>Loss allowance on March 31, 2021</b>	<b>467.87</b>
Less: Changes in loss allowances	(65.28)
<b>Loss allowance on March 31, 2022</b>	<b>402.59</b>
Less: Changes in loss allowances	(14.20)
<b>Loss allowance on March 31, 2023</b>	<b>388.39</b>

Other financial assets measured at amortised cost

Company provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Expiring within one year (cash credit and other facilities)	794.00	1,200.00
Expiring beyond one year (bank loans - floating rate)	-	-

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>March 31, 2023</b>	<b>Less than 1 year</b>	<b>1-3 year</b>	<b>More than 3 years</b>	<b>Total</b>
Borrowings	8,151.64	593.00	92.79	8,837.43
Security deposit received	67.09	7.30	15.59	89.98
Trade payable	16,892.11	-	-	16,892.11
Other financial liabilities	772.67	-	-	772.67
<b>Total</b>	<b>25,883.51</b>	<b>600.30</b>	<b>108.38</b>	<b>26,592.19</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### Note - 35 (Contd.)

March 31, 2022	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,218.82	807.41	-	9,026.23
Security deposit received	32.48	9.05	-	41.53
Trade payable	15,314.38	-	-	15,314.38
Other financial liabilities	674.66	-	-	674.66
<b>Total</b>	<b>24,240.34</b>	<b>816.46</b>	<b>-</b>	<b>25,056.80</b>

### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited.

#### Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2023	March 31, 2022
<b>Import trade payables:</b>		
EURO (in Lacs)	10.31	12.36
₹ (₹ in Lacs)	922.84	1,039.70
US\$ (in Lacs)	51.89	43.28
₹ (₹ in Lacs)	4,268.22	3,280.90
GBP (in Lacs)	0.15	0.27
₹ (₹ in Lacs)	15.07	27.27
JPY (in Lacs)	268.25	232.04
₹ (₹ in Lacs)	165.78	144.21
<b>Export trade receivables:</b>		
EURO (in Lacs)	26.27	31.19
₹ (₹ in Lacs)	2,351.17	2,623.87
US\$ (in Lacs)	20.96	21.42
₹ (₹ in Lacs)	1,723.68	1,623.06
GBP (in Lacs)	0.64	0.94
₹ (₹ in Lacs)	64.72	93.37
AUD (in Lacs)	-	0.03
₹ (₹ in Lacs)	-	1.67

The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2023	March 31, 2022
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	18.50	-
INR (₹)	1,655.94	-
US\$ (in Lacs)	17.75	26.00
INR (₹)	1,459.76	1,970.28

All the above contracts are maturing within one year.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**Note - 35 (Contd.)****Sensitivity**

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets					
5% movement	EURO	(53.44)	(11.78)	53.44	11.78
(previous year 1%)					
4% movement	US\$	76.17	49.32	(76.17)	(49.32)
(previous year 4%)					
5% movement	YEN	6.20	1.07	(6.20)	(1.07)
(previous year 1%)					

**(ii) Interest rate risk**

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowing	8,593.55	8,736.97
Fixed rate borrowing	90.06	162.62
Total borrowings	8,683.61	8,899.59

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2023	March 31, 2022
Interest rates – increase by 50 basis points	(32.15)	(32.49)
Interest rates – decrease by 50 basis points	32.15	32.49

**iii) Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**iv) Price risk****Exposure**

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Particulars	March 31, 2023	March 31, 2022
Investments carried at fair value through other comprehensive income	5,527.32	3,838.14
<b>Total investments</b>	<b>5,527.32</b>	<b>3,838.14</b>

**Sensitivity**

Refer note 34(iv) for sensitivity analysis.



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 36

#### A Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at March 31, 2023 was as follows

Particulars	March 31, 2023	March 31, 2022
<b>Total borrowings</b>	<b>8,747.41</b>	<b>8,934.64</b>
Less : cash and cash equivalents	528.41	205.55
<b>Net debt</b>	<b>8,219.00</b>	<b>8,729.09</b>
Total equity	32,223.44	26,842.70
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.26</b>	<b>0.33</b>

#### B Dividend

Particulars	March 31, 2023	March 31, 2022
<b>Proposed dividend</b>		
Proposed dividend for the year ended March 31, 2023 - ₹ 2.00 per share (March 31, 2022 - ₹ 2.00 per share)	246.91	246.91
<b>Final dividend paid</b>		
Final dividend for the year ended March 31, 2023 - ₹ 2.50 per share (March 31, 2022 - ₹ 3.00 per share)	308.64	370.37

### NOTE - 37

#### Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

##### i) Parties where control exists:

##### Jointly controlled entities

- (i) Nippon Leakless Talbro's Private Limited
- (ii) Marelli Talbro's Chassis Systems Private Limited
- (iii) Talbro's Marugo Rubber Private Limited

**Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**Note - 37 (Contd.)****Investing party in respect of which the Company is a subsidiary**

- (i) Talbros International Private Limited

**Key management personnel and their relatives**

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Anil Kumar Mehra
- (ix) Mr. Tarun Singhal
- (x) Mr. Amit Burman
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

**Enterprise over which key management personnel exercise significant influence**

- (i) QH Talbros Private Limited
- (ii) Talbros Indiparts Private Limited

**(ii) Transactions with related parties carried out in the ordinary course of business:****(a) Transactions with joint ventures and associates:**

S. No.	Particulars	March 31, 2023	March 31, 2022
<b>1</b>	<b>Sale of goods</b>		
	QH Talbros Private Limited	6511.14	6241.94
	Talbros Indiparts Private Limited	3,593.61	3,699.23
	Nippon Leakless Talbros Private Limited	39.33	27.69
	Talbros Marugo Rubber Private Limited	38.37	5.65
	Marelli Talbros Chassis Systems Private Limited	0.16	-
<b>2</b>	<b>Sale of services</b>		
	Talbros Marugo Rubber Private Limited	35.40	35.40
	Talbros Indiparts Private Limited	2.36	20.23
<b>3</b>	<b>Purchase of services</b>		
	Talbros Indiparts Private Limited	-	101.44
<b>4</b>	<b>Royalty income</b>		
	QH Talbros Private Limited	124.30	109.00
	Talbros Indiparts Private Limited	9.02	3.42

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 37 (CONTD.)

S. No.	Particulars	March 31, 2023	March 31, 2022
<b>5</b>	<b>Purchase of goods</b>		
	Nippon Leakless Talbros Private Limited	73.07	54.42
	Talbros Marugo Rubber Private Limited	1.08	3.75
<b>6</b>	<b>Lease rental income</b>		
	Marelli Talbros Chassis Systems Private Limited	208.37	198.45
	Talbros Indiparts Private Limited	16.35	15.58
<b>7</b>	<b>Reimbursement of expenses/payments</b>		
	Marelli Talbros Chassis Systems Private Limited	96.98	89.93
	Talbros Marugo Rubber Private Limited	3.23	0.09
	Talbros International Private Limited	8.77	5.40
	QH Talbros Private Limited	32.53	-
	Talbros Indiparts Private Limited	42.26	24.85
<b>8</b>	<b>Dividend paid</b>		
	Talbros International Private Limited	132.02	158.05
<b>9</b>	<b>Dividend received</b>		
	Talbros International Private Limited	55.73	-
	QH Talbros Private Limited	26.69	-

**Note: All transactions are inclusive of taxes, wherever applicable**

**The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.**

S. No.	Balance Outstanding at the end of the year	March 31, 2023	March 31, 2022
<b>1</b>	<b>Outstanding balance included in financial assets (Trade receivable and other recoverable)</b>		
	Talbros Marugo Rubber Private Limited	31.82	26.45
	QH Talbros Private Limited	1,760.03	2,130.15
	Talbros Indiparts Private Limited	891.66	647.79
<b>2</b>	<b>Outstanding balance included in financial liabilities</b>		
	Nippon Leakless Talbros Private Limited	6.92	2.55
	Marelli Talbros Chassis Systems Private Limited	22.26	22.26
	Talbros Marugo Rubber Private Limited	-	6.12
	Talbros Indiparts Private Limited	-	41.10

#### (b) Transactions with key management personnel and their relatives :

S. No.	Particulars	March 31, 2023	March 31, 2022
<b>1</b>	<b>Remuneration</b>		
	<b>Short-term employee benefits</b>		
	Mr. Umesh Talwar	163.13	163.13
	Mr. Anuj Talwar	139.70	139.70
	Mr. Manish Khanna	52.40	46.73
	Ms. Seema Narang	36.28	29.40
	<b>Other long-term benefits</b>		
	Mr. Umesh Talwar	(0.19)	0.12
	Mr. Anuj Talwar	(0.16)	(3.34)
	Mr. Manish Khanna	0.85	0.51
	Ms. Seema Narang	0.59	0.55

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 37 (CONTD.)**

S. No.	Particulars	March 31, 2023	March 31, 2022
	<b>Post-employment benefits</b>		
	Mr. Umesh Talwar	16.23	16.23
	Mr. Anuj Talwar	13.03	5.73
	Mr. Manish Khanna	3.02	2.40
	Ms. Seema Narang	3.11	2.90
	<b>Fee for attending board &amp; committee meetings to all the KMP's</b>	11.10	10.35
<b>2</b>	<b>Rent paid</b>		
	Mrs. Kum Kum Talwar	7.20	7.20

**NOTE - 38****Contingent liabilities and commitments (to the extent not provided for)****A Contingent liabilities****(1) Claims against the Company not acknowledged as debts:-**

Particulars	Nature of dues	March 31, 2023	March 31, 2022
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case f/y-2016-17	38.67	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	50.74	48.00
(vii) Bonus payable*	Bonus payable for F.Y 2014-15	40.23	40.23
<b>Total</b>		<b>462.86</b>	<b>460.12</b>

\*Retrospective bonus liability for F.Y 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

**(2)** Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 207.89 Lacs (March 31, 2022: ₹93.12 Lacs).

**B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 1875.11 Lacs (March 31, 2022: ₹ 735.59 Lacs).

**NOTE - 39****(I) LEASES DISCLOSURE AS LESSEE****Operating leases**

**A** The Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The Company is prohibited from selling or pledging the underlying leased assets as security.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 39 (CONTD.)

#### B Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2023	March 31, 2022
Non-current	-	3.72
Current	5.63	15.00
<b>Total</b>	<b>5.63</b>	<b>18.72</b>

#### C The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	1	0-1	0.47
Land	2	90-99	72.58

#### D Future minimum lease payments as on March 31, 2023 are as follows:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
<b>Minimum lease payments due</b>						
Within 1 year	5.74	0.11	5.63	14.21	0.62	13.59
1-2 years	-	-	-	5.74	0.61	5.13
2-3 years	-	-	-	-	-	-
	<b>5.74</b>	<b>0.11</b>	<b>5.63</b>	<b>19.95</b>	<b>1.23</b>	<b>18.72</b>

#### E Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2023	March 31, 2022
Short term leases	19.94	9.34
Leases of low value assets	-	-
Variable lease payments	-	-
<b>Total</b>	<b>19.94</b>	<b>9.34</b>

#### F Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Carrying amount	Depreciation expense
<b>As on March 31, 2022</b>		
Vehicles	0.55	6.88
Building	16.74	11.42
Land	351.37	4.60
	<b>368.66</b>	<b>22.90</b>
<b>As on March 31, 2023</b>		
Vehicles	-	0.55
Building	5.32	11.42
Land	346.77	4.60
	<b>352.09</b>	<b>16.57</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 39 (CONTD.)****(ii) Leases disclosure as lessor****Operating leases**

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹213.82 Lacs (March 31, 2022: ₹198.64 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 24). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2023	March 31, 2022
Within one year	222.39	211.80
Later than one year but not later than five years	639.22	861.61
Later than five years	-	-

**NOTE - 40****Employee benefits****1 Defined contribution plans:**

**A** The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

**Provident Fund Plan & Employee Pension Scheme:** The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

**Superannuation Scheme:** The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

**B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2023	March 31, 2022
(a) Employer's contribution to Provident fund & other funds	224.56	208.60
(b) Employer's contribution to superannuation fund	8.02	8.00

**2 Other Long Term Employee Benefits****A Compensated absences- Earned leave****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 40 (CONTD.)

#### i) Amounts recognised in the balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the end of the year	319.11	307.59
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(319.11)	(307.59)

#### ii) Expenses recognised in statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current service cost	94.35	87.91
Interest cost	19.97	19.17
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(4.62)	(25.61)
- Changes in experience adjustment	(35.41)	(26.57)
<b>Cost recognised during the year</b>	<b>74.29</b>	<b>54.90</b>

#### iii) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at the beginning of the year	307.59	314.48
Current service cost	94.35	87.91
Interest cost	19.97	19.17
Actuarial (gain)/loss net	(40.03)	(52.18)
Benefits paid	(62.77)	(61.79)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>319.11</b>	<b>307.59</b>

#### iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.36%	7.23%
Salary escalation rate	6.00%	6.00%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

### 3 Defined benefit plans:

#### A Gratuity

##### Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 40 (CONTD.)****i) Amounts recognised in the balance sheet**

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the end of the year	810.56	783.90
Fair value of plan assets	1,120.64	1,002.67
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	310.08	218.77

**ii) Expenses recognised in other comprehensive income**

Particulars	March 31, 2023	March 31, 2022
Return on plan assets	3.17	1.02
Actuarial (gain)/loss on PBO	(34.42)	(26.65)
(Gain)/expenses recognised in other comprehensive income	(31.25)	(25.63)

**iii) Actuarial (gain)/loss on obligation**

Particulars	March 31, 2023	March 31, 2022
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(6.92)	(57.33)
- Changes in experience adjustment	(27.50)	30.68

**iv) Expenses recognised in statement of profit and loss**

Particulars	March 31, 2023	March 31, 2022
Current service cost	63.00	62.81
Interest cost (net)	(19.56)	(8.66)
<b>Cost recognised during the year</b>	<b>43.44</b>	<b>54.15</b>

**v) Movement in the liability recognised in the balance sheet is as under:**

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at the beginning of the year	783.90	804.65
Current service cost	63.00	62.81
Interest cost	54.63	50.76
Actuarial (gain)/loss net	(34.42)	(26.65)
Benefits paid	(56.55)	(107.67)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>810.56</b>	<b>783.90</b>

**vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:**

Particulars	March 31, 2023	March 31, 2022
Present value of plan assets at the beginning of the year	1,002.67	813.68
Return on plan assets	71.02	58.40
Contributions by employer	103.50	238.34
Benefits paid during the year	(56.55)	(107.75)
<b>Present value of plan assets at the end of the year</b>	<b>1,120.64</b>	<b>1,002.67</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 40 (CONTD.)

#### vii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.36%	7.23%
Salary escalation rate	6.00%	6.00%
Retirement age (years)	58	58
<b>Withdrawal rate</b>	<b>1% to 3%</b>	<b>1% to 3%</b>

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

#### vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2023	For the year ended March 31, 2022	March 31, 2023	March 31, 2022
April 2023- March 2024	April 2022- March 2023	272.59	199.91
April 2024- March 2028	April 2023- March 2027	192.28	236.84
April 2028- March 2033	April 2027- March 2032	208.34	205.81
April 2033 onwards	April 2032 onwards	864.79	855.58

#### vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)

For the year ended March 31, 2023	For the year ended March 31, 2022	March 31, 2023	March 31, 2022
April 2023- March 2024	April 2022- March 2023	274.91	201.71
April 2024- March 2028	April 2023- March 2027	236.89	282.71
April 2028- March 2033	April 2027- March 2032	387.99	368.88
April 2033 onwards	April 2032 onwards	2,733.17	2,875.97

#### viii) Sensitivity analysis for defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	761.39	735.03
Impact due to decrease of 1.00 %	867.27	840.43
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	867.48	840.57
Impact due to decrease of 1.00 %	760.37	734.07

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 13 to 19 years (March 31, 2022: 14 to 19 years).

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 41**

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2023 is ₹ 258.87 Lacs (March 31, 2022: ₹ 211.99 Lacs).

**NOTE - 42****Disclosures as per the requirements of Division II of Schedule III to the Act****A Ageing schedule of capital work-in-progress**

<b>March 31, 2023</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	473.57	4.16	-	-	477.73
<b>March 31, 2022</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Projects in progress	325.02	-	-	-	325.02

**B Ageing schedule of trade receivables**

<b>March 31, 2023</b>	<b>Outstanding from the due date of payment</b>						<b>Total</b>
	<b>Not due</b>	<b>Less than 6 months</b>	<b>6 months -1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Undisputed trade receivables – considered good	14,023.44	2,345.09	171.58	433.93	-	-	16,974.04
Undisputed trade receivables – credit impaired	-	-	-	-	106.39	142.03	248.42
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Total</b>	<b>14,023.44</b>	<b>2,345.09</b>	<b>171.58</b>	<b>433.93</b>	<b>106.39</b>	<b>161.17</b>	<b>17,241.60</b>
<b>March 31, 2022</b>	<b>Outstanding from the due date of payment</b>						<b>Total</b>
	<b>Not due</b>	<b>Less than 6 months</b>	<b>6 months -1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Undisputed trade receivables – considered good	12,205.81	2,485.95	258.33	248.07	-	-	15,198.16
Undisputed trade receivables – credit impaired	-	-	-	-	116.03	215.92	331.95
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Total</b>	<b>12,205.81</b>	<b>2,485.95</b>	<b>258.33</b>	<b>248.07</b>	<b>116.03</b>	<b>235.06</b>	<b>15,549.25</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 42 (CONTD.)

#### C Ageing schedule of trade payables

March 31, 2023	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	305.91	-	-	-	-	305.91
Others	13,616.45	2,879.29	84.99	5.47	-	16,586.20
<b>Total</b>	<b>13,922.36</b>	<b>2,879.29</b>	<b>84.99</b>	<b>5.47</b>	<b>-</b>	<b>16,892.11</b>

March 31, 2022	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	103.93	-	-	-	-	103.93
Others	12,780.24	2,378.85	18.26	7.45	25.66	15,210.46
<b>Total</b>	<b>12,884.17</b>	<b>2,378.85</b>	<b>18.26</b>	<b>7.45</b>	<b>25.66</b>	<b>15,314.39</b>

#### D DETAILS OF PROMOTER SHAREHOLDING

Name of promoter	March 31, 2023			March 31, 2022		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	1,87,510	1.52%	0.00%	1,87,510	1.52%	-50.00%
Vidur Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	100.00%
Bimpi Talwar	1,87,509	1.52%	0.00%	1,87,509	1.52%	-50.00%
Naresh Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	-50.00%
Asha Burman	43,347	0.35%	0.00%	43,347	0.35%	0.00%
Varun Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	100.00%
Anuj Talwar	3,75,018	3.04%	0.00%	3,75,018	3.04%	100.00%
Kumkum Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	-45.39%
Talbro's International Private Limited	52,93,527	42.88%	0.42%	52,71,548	42.70%	0.19%

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 42 (CONTD.)****E Details related to borrowings secured against current assets**

The Company had given current assets (trade receivables and inventories) as security for working capital limits obtained from multiple banks. The Company submitted the required information with the bank and the required reconciliation is presented below:

Particulars	Quarter	Amount as per books	"Amount reported to the bank"	Difference	Remarks
Trade receivable (gross balance)	June-2022	16,621.80	16,202.39	419.41	Variance is not material.
Inventories	June-2022	12,968.37	12,823.51	144.86	Variance is not material.
Trade receivable (gross balance)	September-2022	16,685.53	16,335.15	350.38	Variance is not material.
Inventories	September-2022	13,088.84	13,026.74	62.10	Variance is not material.
Trade receivable (gross balance)	December-2022	17,978.98	17,846.92	132.06	Variance is not material.
Inventories	December-2022	13,413.35	13,365.86	47.49	Variance is not material.
Trade receivable (gross balance)	March - 2023	17,241.60	16,927.82	313.78	Variance is not material.
Inventories	March - 2023	13,253.21	13,101.00	152.21	Variance is not material.

**F Financial ratios**

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	1.30	1.23	5.97%	Note 'A' below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.27	0.33	(18.72%)	Note 'A' below
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	4.02	2.38	69.14%	Note 'B' below
Return on equity ratio	Percentage	Profit after tax	Average of total equity	14.80%	15.11%	2.08%	Note 'A' below
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	2.86	2.89	(0.85%)	Note 'A' below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	4.04	3.77	7.36%	Note 'A' below
Trade payables turnover ratio	Times	Purchases + other expenses	Average trade payables	3.14	2.96	6.01%	Note 'A' below

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 42 (CONTD.)

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Change	Remarks
				Ratio	Ratio		
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	8.13	10.30	(21.01%)	Note 'A' below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	6.75%	6.42%	5.21%	Note 'A' below
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = Profit/loss before tax + Depreciation and amortisation expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	21.92%	22.43%	(2.28%)	Note 'A' below
Return on investment	Percentage	Profit after tax	Equity share capital + Instruments entirely equity in nature + Securities premium	73.91%	62.66%	(17.96%)	Note 'A' below

#### Notes:

- A Since the change in ratio is less than 25%, no explanation is required to be furnished.
- B On account of reduction in debt and repayment thereof due to availability of internally generated cash in the current year. Further, the profit of the Company has increased on account of overall performance leading to improved ratio.

### NOTE - 43

#### Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

#### i Information about major customers

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

#### ii Information about geographical areas

Particulars	March 31, 2023	March 31, 2022
<b>Revenue from operations attributed to:</b>		
Country of domicile (India)	46,248.19	42,164.60
Foreign countries	18,470.13	15,559.43
<b>Total</b>	<b>64,718.32</b>	<b>57,724.03</b>

## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 44****Disclosure required under Section 186 (4) of The Companies Act, 2013:****(a) Investments made:**

Name of the investee	Amount invested during the year 2022-23	Amount as on March 31, 2023	Amount invested during the year 2021-22	Amount as on March 31, 2022
<b>Investment in equity instruments</b>				
<b>Investment in Joint ventures</b>				
(i) Nippon Leakless Talbros Private Limited	-	480.00	-	480.00
(ii) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
<b>Investment in others</b>				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
<b>Total</b>	<b>-</b>	<b>3,264.07</b>	<b>-</b>	<b>3,264.07</b>

**(b) Inter corporate deposits given (proposed to be utilised for business purposes):**

Name of the payee	Paid/ (recovered) during the year 2022-23	Outstanding amount as on March 31, 2023*	Paid/ (recovered) during the year 2021-22	Outstanding amount as on March 31, 2022*
(i) Fastech Builders Private Limited	-	45.00	-	45.00
(ii) Fastech Projects Private Limited	(25.00)	15.00	-	40.00
(iii) Bankey Bihari Engineers LLP	(15.00)	85.00	-	100.00
(iv) Express Engineers & Spares Private Limited	-	200.00	-	200.00
<b>Total</b>	<b>(40.00)</b>	<b>345.00</b>	<b>-</b>	<b>385.00</b>

\* Outstanding amount excludes interest accrued on deposits.

**(c) Guarantee given (proposed to be utilised for business purposes):**

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2023	Outstanding amount as on March 31, 2022
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Private Limited)	200.00	200.00



## Notes to the Financial Statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 45

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Company has not been declared a willful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Company has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Company does not have any transactions with companies struck off.
- (ix) The Company has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

**For J.C Bhalla & Co**  
Chartered Accountants  
Firm Registration No.: 001111N

per **Akhil Bhalla**  
Partner  
Membership No. 505002

Place: Gurugram  
Date: 16.05.2023

**For and on behalf of Talbros Automotive Components Limited**

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Manish Khanna**  
Chief Financial Officer

**Seema Narang**  
Company Secretary

# INDEPENDENT AUDITORS' REPORT

## To the Members of

### Talbro Automotive Components Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Consolidated financial statements of **Talbro Automotive Components Limited** ("the Company") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement for Cash Flow for the year ended on that date, and notes to the financial statement including summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

### Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

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

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

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Independent Auditors' Report (Contd.)

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Company and its jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

The respective Board of Directors of the Company and its jointly controlled entities are also responsible for overseeing the financial reporting process.

### Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our Objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

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

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

## Independent Auditors' Report (Contd.)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company of which we are the independent auditor and such other entities included in the statement regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matter

The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of

₹ 1182.94 Lacs for the year ended March 31, 2023, in respect of jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by the law relating to the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
  - (e) On the basis of written representations received as on March 31, 2023, taken on record by the Board of Directors of the Company and its jointly controlled entities incorporated in India, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.

## Independent Auditors' Report (Contd.)

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors' reports of the Company and its Jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements of those companies.

(g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. However, the provisions of section 197 of the Act are not applicable to jointly controlled entities.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities. (Refer Note 40(i) & 41 to the consolidated financial statements)
- (ii) The Company and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities during the year ended March 31, 2023.

(iv) (a) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such jointly controlled entities to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Independent Auditors' Report (Contd.)**

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 37(B) to the consolidated financial statements:
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.
  - b. The interim dividend declared and paid by the Company during the year complies with Section 123.
  - c. The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature

of recording audit trail (edit log) facility is applicable with effect from April 1, 2023, to the Company and its and its jointly controlled entities, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner

Membership No. 505002

UDIN: 23505002BGTIKZ3835

Place : Gurugram

Dated: May 16, 2023



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirement’s section of our report to the Members of Talbros Automotive Components Limited of even date)**

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Talbros Automotive Components Limited (hereinafter referred to as “the Company”) and its jointly controlled entities, which are companies incorporated in India, as of that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective board of Directors of the Company and its jointly controlled entities which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“The ICAI”).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the Company and its jointly controlled entities, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the Company and its jointly controlled entities, which are companies incorporated in India.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles and that receipts and



**Annexure 'A' To The Independent Auditor's Report (Contd.)**

expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls over financial reporting

were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**OTHER MATTERS**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited financial statements of jointly controlled entities, which is the Company incorporated in India, is based on the corresponding reports of the auditor of such jointly controlled entities incorporated in India.

**For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner

Membership No. 505002

UDIN: 23505002BGTIKZ3835

Place : Gurugram

Dated: May 16, 2023

# CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	16,796.34	15,330.72
Capital work in progress	2	477.73	325.02
Investment property	3	282.14	297.96
Intangible assets	4	67.31	92.20
Investments accounted for using the equity method	5	7,136.47	5,953.53
Financial assets			
Investments	6	5,527.32	3,838.14
Other financial assets	8 A	279.83	186.00
Non-current tax assets	9	224.05	213.16
Other non-current assets	10 A	364.30	452.98
<b>Total non-current assets</b>		<b>31,155.49</b>	<b>26,689.71</b>
<b>Current assets</b>			
Inventories	11	13,253.21	11,425.41
Financial assets			
Trade receivables	12	16,853.21	15,146.66
Cash and cash equivalents	13	528.41	205.55
Other bank balances	14	281.95	332.05
Loans	7 A	388.20	428.52
Other financial assets	8 B	140.36	233.86
Other current assets	10 B	2,977.58	2,488.82
<b>Total current assets</b>		<b>34,422.92</b>	<b>30,260.87</b>
<b>Total assets</b>		<b>65,578.41</b>	<b>56,950.58</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	1,234.56	1,234.56
Other equity	16	35,517.35	28,953.67
<b>Total equity</b>		<b>36,751.91</b>	<b>30,188.23</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17 A	608.48	761.68
Lease liabilities	18 A	-	3.72
Other financial liabilities	19 A	22.89	9.05
Provisions	20 A	198.43	204.03
Deferred tax liabilities	21	1,453.21	1,105.06
Other non-current liabilities	22 A	78.86	24.49
<b>Total non-current liabilities</b>		<b>2,361.87</b>	<b>2,108.03</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17 B	8,075.13	8,137.91
Lease liabilities	18 B	5.63	15.00
Trade payables	23		
(i) total outstanding dues of micro enterprises and small enterprises		305.91	103.93
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16,586.20	15,210.46
Other financial liabilities	19 B	839.76	707.14
Other current liabilities	22 B	531.32	376.32
Provisions	20 B	120.68	103.56
<b>Total current liabilities</b>		<b>26,464.63</b>	<b>24,654.32</b>
<b>Total equity and liabilities</b>		<b>65,578.41</b>	<b>56,950.58</b>
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements	1		

This is the balance sheet referred to in our report of even date.

**For and on behalf of Talbro's Automotive Components Limited**

**For J.C Bhalla & Co**

Chartered Accountants  
Firm Registration No.: 001111N

**per Akhil Bhalla**

Partner  
Membership No. 505002

**Anuj Talwar**

Joint Managing Director  
[DIN: 00628063]

**Manish Khanna**

Chief Financial Officer

**Umesh Talwar**

Vice Chairman and Managing Director  
[DIN: 00059271]

**Seema Narang**

Company Secretary

Place: Gurugram  
Date: May 16, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue</b>			
Revenue from operations	24	64,718.32	57,724.03
Other income	25	619.95	767.36
<b>Total income</b>		<b>65,338.27</b>	<b>58,491.39</b>
<b>Expenses</b>			
Cost of materials consumed	26	35,317.02	31,232.75
Purchase of stock-in-trade	27	496.91	387.65
Changes in inventories of finished goods, stock in trade and work in progress	28	(701.65)	(974.26)
Employee benefits expenses	29	7,069.39	6,510.52
Finance costs	30	1,135.87	1,176.73
Depreciation and amortisation expense	31	2,372.34	2,288.65
Other expenses	32	13,806.99	13,016.75
<b>Total expenses</b>		<b>59,496.87</b>	<b>53,638.79</b>
<b>Profit before exceptional items and tax</b>		<b>5,841.40</b>	<b>4,852.60</b>
<b>Profit before share of profit in joint ventures and tax</b>		<b>5,841.40</b>	<b>4,852.60</b>
Share of profit of joint ventures accounted for using the equity method		1,187.37	783.67
<b>Profit before tax</b>		<b>7,028.77</b>	<b>5,636.27</b>
<b>Tax expense</b>			
Current tax	33	1,517.48	1,294.34
Deferred tax		(53.22)	(201.12)
Earlier years tax adjustments (net)		6.81	54.43
<b>Total tax expense</b>		<b>1,471.07</b>	<b>1,147.65</b>
<b>Profit for the year</b>		<b>5,557.70</b>	<b>4,488.62</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		31.25	25.63
Changes in fair value of FVOCI equity instruments		1,689.18	1,692.15
Share of other comprehensive income of joint ventures accounted for using the equity method		(4.43)	0.31
Income tax relating to items that will not be reclassified to profit or loss		(401.38)	(400.65)
<b>Total other comprehensive income for the year</b>		<b>1,314.62</b>	<b>1,317.44</b>
<b>Total comprehensive income for the year</b>		<b>6,872.32</b>	<b>5,806.06</b>
<b>Earnings per equity share (Face value ₹ 10 per share)</b>			
Basic (₹)	34	45.02	36.36
Diluted (₹)		45.02	36.36
Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.	1		

This is the statement of profit or loss referred to in our report of even date

For and on behalf of Talbros Automotive Components Limited

**For J.C Bhalla & Co**  
Chartered Accountants  
Firm Registration No.: 001111N

**per Akhil Bhalla**  
Partner  
Membership No. 505002

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Manish Khanna**  
Chief Financial Officer

**Seema Narang**  
Company Secretary

Place: Gurugram  
Date: May 16, 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

## A Equity share capital

Particulars	Balance as at April 01, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

## B Other equity

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
<b>Balance as at March 31, 2021</b>	<b>748.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>16,933.39</b>	<b>1,142.84</b>	<b>23,517.97</b>
Profit for the year	-	-	-	4,488.62	-	4,488.62
Other comprehensive income for the year (net of tax impact)	-	-	-	19.19	1,297.94	1,317.13
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	0.31	-	0.31
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(370.37)	-	(370.37)
<b>Balance as at March 31, 2022</b>	<b>798.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>21,021.15</b>	<b>2,440.78</b>	<b>28,953.67</b>
Profit for the year	-	-	-	5,557.70	-	5,557.70
Other comprehensive income for the year (net of tax impact)	-	-	-	23.39	1,295.66	1,319.05
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	(4.43)	-	(4.43)
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(308.64)	-	(308.64)
<b>Balance as at March 31, 2023</b>	<b>848.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>26,239.17</b>	<b>3,736.44</b>	<b>35,517.35</b>

This is the statement of changes in equity referred to in our report of even date

For and on behalf of Talbros Automotive Components Limited

**For J.C Bhalla & Co**  
Chartered Accountants  
Firm Registration No.: 001111N

**per Akhil Bhalla**  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 16, 2023

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Manish Khanna**  
Chief Financial Officer

**Seema Narang**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2023

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>7,028.77</b>	<b>5,636.27</b>
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment, investment property and intangible assets	2,372.34	2,288.65
Profit on sale of property, plant and equipment (net)	(43.17)	(96.37)
Interest income	(69.13)	(74.89)
Dividend income	(90.76)	-
Share of profit of joint ventures	(1,187.37)	(783.67)
Allowance for doubtful debts (net)	146.65	194.85
Unrealised foreign exchange gain	(49.58)	(62.76)
Advances written off	180.60	276.79
Provisions no longer required written back	(180.60)	(273.08)
Finance costs	1,135.87	1,176.73
<b>Operating profit before working capital changes</b>	<b>9,243.62</b>	<b>8,282.52</b>
<b>Movement in working capital</b>		
Change in inventories	(1,827.80)	(1,210.89)
Change in Trade receivables, other financial and non-financial assets	(2,078.60)	(227.96)
Change in Trade payable, other financial and non-financial liabilities	1,856.43	167.78
<b>Cash generated from operating activities post working capital changes</b>	<b>7,193.65</b>	<b>7,011.45</b>
Income tax paid (net)	(1,535.17)	(1,842.62)
<b>Net cash generated from operating activities (A)</b>	<b>5,658.48</b>	<b>5,168.83</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress and intangibles under development)	(4,206.20)	(3,441.11)
Proceeds from sale of property, plant and equipment	383.90	280.02
Movement in other bank balances	(40.61)	578.48
Dividend received	90.76	-
Interest received	67.34	48.00
<b>Net cash used in investing activities (B)</b>	<b>(3,704.81)</b>	<b>(2,534.61)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from/(Repayment of) borrowings (Net)	609.72	733.63
Repayment of term borrowings	(827.79)	(1,845.70)
Payment towards lease liabilities	(14.21)	(20.26)
Dividend paid	(294.49)	(372.83)
Interest paid	(1,104.04)	(1,198.49)
<b>Net cash used in financing activities (C)</b>	<b>(1,630.81)</b>	<b>(2,703.65)</b>
Increase/ (decrease) in cash and cash equivalents (A+B+C)	322.86	(69.43)
Cash and cash equivalents at the beginning of the year	205.55	274.98
<b>Cash and cash equivalents at the end of the year (Refer note 13)</b>	<b>528.41</b>	<b>205.55</b>

This is the statement of cash flow referred to in our report of even date.

For and on behalf of Talbros Automotive Components Limited

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

Place: Gurugram  
Date: May 16, 2023

# CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2023

### 1. CORPORATE INFORMATION

Talbro's Automotive Components Limited (the 'Holding Company') is a public limited company with its joint ventures (collectively referred to as the 'Group'). The Holding Company is incorporated and domiciled in India. The Holding Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Group is in the business of manufacturing gaskets, forging, suspension systems, anti-vibration components and hoses. The Holding Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements for the year ended March 31, 2023 were authorized and approved by the Board of Directors on May 16, 2023.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

#### 1.2 Basis of consolidation

##### *Joint ventures*

Interest in joint venture are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter

for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

#### 1.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

#### 1.4 Significant accounting policies

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the consolidated financial statements.

##### a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**b) Inventory**

Inventories are valued as follows:

**Raw material, stores and spares**

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis.

Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

**Work in progress and finished goods**

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**c) Property, plant and equipment*****Recognition and initial measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.



## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

### **Subsequent measurement (depreciation and useful lives)**

Depreciation on property, plant and equipment is provided based on the methods given hereunder:

S. No.	Plant	Method of depreciation	
		Straight line	Written down value
1	Gasket Plants at Faridabad, Pune and Sohna (except on items acquired prior to December 31, 1985 at Faridabad Plant)	Plant, machinery and Equipment	All other depreciable Assets
2	Assets acquired prior to December 31, 1985 at Faridabad Plant		All depreciable assets
3	Gasket Plant at Sitarganj, Forging Plant at Bawal and assets transferred to Gasket Plant at Faridabad from erstwhile Rubber Division	All depreciable assets other than vehicles	Vehicles

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	Useful life
Plant, machinery & equipment	22 years
Computers	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Electrical installations	15 years
Mould and dies	6 years
Tube wells	10 years
Canteen equipment	10 years
Air-conditioning plant	10 years

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.

### **De-recognition**

An item of property, plant and equipment and any significant part initially recognised is de-recognised

upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

### **d) Intangible assets**

#### **Recognition and initial measurement**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

#### **Subsequent measurement (Amortisation and useful lives)**

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortisation period
Major computer software	3-5 years
Technical know how	10 years

**De-recognition**

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

**Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

**e) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognized.

**Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

**f) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### g) **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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the leases recognized in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### h) **Government grant**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

### i) **Foreign currency transactions**

#### ***Functional and presentation currency***

The financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional and presentation currency.

### ***Foreign currencies***

#### ***Initial recognition***

Transactions in foreign currencies are initially recorded by the Group at exchange rates at the date the transaction first qualifies for recognition.

#### ***Subsequent measurement***

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

### j) **Leases**

#### **Group as a lessee**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership

of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Group does not have any finance lease as a lessor.

**k) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

### **l) Revenue recognition**

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if

the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

#### **Sale of goods and services**

Revenue from sale of goods is recognized when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue from services is recognized when Group satisfies the performance obligations by transferring the promised services to its customers.

#### **Dividend income**

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

#### **Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### **Export incentives**

Export incentives are accounted on accrual basis.

### **m) Financial instruments**

#### **Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)*****Subsequent measurement*****Financial assets****i. Financial assets carried at amortised cost –**

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

**ii. Financial assets at fair value**

- Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

- iii. **Investments in mutual funds** - Investments in mutual funds are measured at fair value through profit or loss (FVTPL).

***De-recognition of financial assets***

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

***De-recognition of financial liabilities***

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**n) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### Trade receivables

As a practical expedient the Group has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

### Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

### o) Investment in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### p) Retirement and other employee benefits

#### Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has

no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund.

#### Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

#### Compensated absence

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

#### Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable



**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

for the period during which services are rendered by the employees.

**q) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**r) Taxes**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

**s) 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.

**t) Provisions, contingent liabilities and contingent assets**

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

**1.5 Significant management judgments in applying accounting policies and estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

**Significant management judgments**

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Provisions, contingent liabilities and contingent assets** – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Leases** – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts

and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### **Significant estimates**

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### **Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

### **1.6 Standard issued but not yet effective:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

#### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building improvements	Plant and equipment	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
<b>Gross block</b>														
As at April 01, 2021	693.56	413.99	34.23	3,013.79	22,245.13	418.92	27.80	576.35	443.70	942.67	105.72	10.52	28,942.17	303.96
Additions	-	-	-	154.78	2,647.35	265.72	-	54.20	58.68	51.88	-	-	3,232.61	325.02
Disposals/transfers	-	-	-	(15.79)	(311.15)	(181.49)	-	-	(2.16)	(0.84)	-	-	(511.43)	(303.96)
<b>Balance as at March 31, 2022</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,152.78</b>	<b>24,581.33</b>	<b>503.15</b>	<b>27.80</b>	<b>630.55</b>	<b>500.22</b>	<b>993.71</b>	<b>105.72</b>	<b>10.52</b>	<b>31,663.35</b>	<b>325.02</b>
Additions	-	-	-	340.61	3,747.63	24.89	-	47.45	22.50	2.27	-	-	4,185.35	477.73
Disposals/transfers	-	-	-	-	(1,329.85)	(85.00)	-	(13.48)	(175.28)	(35.97)	-	-	(1,639.58)	(325.02)
<b>Balance as at March 31, 2023</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,493.39</b>	<b>26,999.11</b>	<b>443.04</b>	<b>27.80</b>	<b>664.52</b>	<b>347.44</b>	<b>960.01</b>	<b>105.72</b>	<b>10.52</b>	<b>34,209.12</b>	<b>477.73</b>
<b>Accumulated depreciation</b>														
As at April 01, 2021	-	58.02	6.07	1,356.31	11,020.32	311.54	20.37	511.46	383.18	620.19	90.45	9.99	14,403.69	-
Charge for the year	-	4.60	11.42	113.90	1,911.77	43.46	6.88	34.75	37.88	71.41	6.57	0.45	2,243.09	-
Disposals	-	-	-	(15.78)	(145.61)	(150.09)	-	-	(2.45)	(0.22)	-	-	(314.15)	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>62.62</b>	<b>17.49</b>	<b>1,454.43</b>	<b>12,786.48</b>	<b>204.91</b>	<b>27.25</b>	<b>546.21</b>	<b>418.61</b>	<b>691.38</b>	<b>97.02</b>	<b>10.44</b>	<b>16,332.63</b>	<b>-</b>
Charge for the year	-	4.60	11.42	118.02	2,032.47	76.88	0.55	46.93	36.55	41.81	2.47	-	2,371.70	-
Disposals	-	-	-	-	(999.39)	(70.47)	-	(13.47)	(175.15)	(33.07)	-	-	(1,291.55)	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>67.22</b>	<b>28.91</b>	<b>1,572.45</b>	<b>13,819.56</b>	<b>211.32</b>	<b>27.80</b>	<b>579.67</b>	<b>280.01</b>	<b>700.12</b>	<b>99.49</b>	<b>10.44</b>	<b>17,412.78</b>	<b>-</b>
<b>Net block as at March 31, 2023</b>	<b>693.56</b>	<b>346.77</b>	<b>5.32</b>	<b>1,920.94</b>	<b>13,179.55</b>	<b>231.72</b>	<b>-</b>	<b>84.85</b>	<b>67.43</b>	<b>259.89</b>	<b>6.23</b>	<b>0.08</b>	<b>16,796.34</b>	<b>477.73</b>
<b>Net block as at March 31, 2022</b>	<b>693.56</b>	<b>351.37</b>	<b>16.74</b>	<b>1,698.35</b>	<b>11,794.85</b>	<b>298.24</b>	<b>0.55</b>	<b>84.34</b>	<b>81.61</b>	<b>302.33</b>	<b>8.70</b>	<b>0.08</b>	<b>15,330.72</b>	<b>325.02</b>

#### (i) Expenditures capitalized in the carrying amount of property plant and equipment

The Group has capitalized the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2023	March 31, 2022
Salaries and wages	187.16	168.32
Depreciation	56.34	42.46
Power and fuel	128.26	99.40
Repairs and maintenance	78.90	59.98
Processing charges and consumable	423.30	271.00
<b>Total</b>	<b>873.96</b>	<b>641.16</b>

#### (ii) Contractual obligations

Refer note 41B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### (iii) Assets pledged as security

Refer note 17 for disclosure of property, plant and equipment pledged as securities against borrowings.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 3 INVESTMENT PROPERTY**

Particulars	Land	Building	Total
<b>Gross block</b>			
As at April 01, 2021	40.77	512.27	553.04
Additions/transfers	-	-	-
<b>Balance as at March 31, 2022</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
Additions/transfers	-	-	-
<b>Balance as at March 31, 2023</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
<b>Accumulated depreciation</b>			
<b>As at April 01, 2021</b>	-	239.09	239.09
Charge for the year	-	15.99	15.99
<b>Balance as at March 31, 2022</b>	-	<b>255.08</b>	<b>255.08</b>
Charge for the year	-	15.82	15.82
<b>Balance as at March 31, 2023</b>	-	<b>270.90</b>	<b>270.90</b>
<b>Net block as at March 31, 2023</b>	<b>40.77</b>	<b>241.37</b>	<b>282.14</b>
<b>Net block as at March 31, 2022</b>	<b>40.77</b>	<b>257.19</b>	<b>297.96</b>

**(i) Amount recognized in profit and loss for investment property**

Particulars	March 31, 2023	March 31, 2022
Rental income	213.82	198.64
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment property before depreciation</b>	<b>213.82</b>	<b>198.64</b>
Less: depreciation expense	15.82	15.99
<b>Profit from leasing of investment property after depreciation</b>	<b>198.00</b>	<b>182.65</b>

\*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

**(ii) Leasing arrangements**

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 42 (ii) for details on future minimum lease rentals.

**(iii) Fair value of investment property:**

Particulars	March 31, 2023	March 31, 2022
Fair value	687.65	594.86

The Group obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Group considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 4 INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Total
<b>Gross block</b>			
As at April 01, 2021	437.13	508.18	945.31
Additions	3.30	37.41	40.71
Disposals	(2.02)	(60.22)	(62.24)
<b>Balance as at March 31, 2022</b>	<b>438.41</b>	<b>485.37</b>	<b>923.78</b>
Additions	7.48	8.79	16.27
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>401.96</b>	<b>494.16</b>	<b>896.12</b>
<b>Accumulated amortisation</b>			
As at April 01, 2021	347.46	474.33	821.79
Amortisation charge for the year	54.46	17.57	72.03
Disposals	(2.02)	(60.22)	(62.24)
<b>Balance as at March 31, 2022</b>	<b>399.90</b>	<b>431.68</b>	<b>831.58</b>
Amortisation charge for the year	22.20	18.96	41.16
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>378.17</b>	<b>450.64</b>	<b>828.81</b>
<b>Net block as at March 31, 2023</b>	<b>23.79</b>	<b>43.52</b>	<b>67.31</b>
<b>Net block as at March 31, 2022</b>	<b>38.50</b>	<b>53.69</b>	<b>92.20</b>

#### Notes:

(i) Intangibles under development comprise of the softwares under development.

#### (ii) Research and development expenses

Refer note 44 for expenses incurred on research and development activities.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	As at March 31, 2023	As at March 31, 2022
<b>(i) Investments in equity instruments</b>		
Joint ventures		
(Unquoted)		
Nippon Leakless Talbros Private Limited 4,800,000 shares (March 31, 2022: 4,800,000 shares) of ₹ 10 each	3,326.29	2,853.97
Magneti Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2022: 11,780,000 shares) of ₹ 10 each	2,981.33	2,408.58
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2022: 9,500,000 shares) of ₹ 10 each	828.85	690.98
	<b>7,136.47</b>	<b>5,953.53</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	7,136.47	5,953.53
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2023	As at March 31, 2022
Nippon Leakless Talbros Private Limited	India	40.00%	40.00%
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

^Refer note 39 - Group information for summarised financial information of joint ventures.

**NOTE - 6 INVESTMENTS**

	As at March 31, 2023	As at March 31, 2022
<b>(i) Investments in equity instruments</b>		
(Unquoted, at fair value through other comprehensive income)		
QH Talbros Private Limited 177,962 shares (March 31, 2022: 177,962 shares) of ₹ 10 each	90.33	20.39
Talbros International Private Limited 1,326,970 shares (March 31, 2022: 1,326,970 shares) of ₹ 10 each	5,325.93	3,748.43
T & T Motors Limited 83,333 shares (March 31, 2022: 83,333 shares) of ₹ 10 each	111.06	69.32
	<b>5,527.32</b>	<b>3,838.14</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	5,527.32	3,838.14
Aggregate amount of impairment in value of investments	-	-



## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 7

#### A Loans - current (Unsecured, considered good)

	As at March 31, 2023	As at March 31, 2022
Inter-corporate deposits	388.20	428.52
	<b>388.20</b>	<b>428.52</b>

### NOTE - 8

#### A Other financial assets - non-current (Unsecured, considered good)

Security deposits	151.68	150.14
Bank deposits with more than 12 months maturity*	128.15	35.86
	<b>279.83</b>	<b>186.00</b>

\*Under lien with banks as security against borrowings.

#### B Other financial assets - current (Unsecured, considered good)

Recoverable from employees	39.01	83.51
Security deposits	27.67	24.13
Derivative assets on forward contracts	-	52.56
Claims and other recoverable	73.68	73.66
	<b>140.36</b>	<b>233.86</b>

### NOTE - 9 NON-CURRENT TAX ASSETS

Advance income tax	1,741.53	2,586.25
Less: Provision for taxation	(1,517.48)	(2,373.09)
	<b>224.05</b>	<b>213.16</b>

### NOTE - 10

#### A Other non-current assets

Prepaid expenses	6.18	8.43
Accrued lease income	3.86	5.80
Capital advances	354.26	438.75
	<b>364.30</b>	<b>452.98</b>

#### B Other current assets

Advances to suppliers		
- Considered good	605.07	395.44
- Considered doubtful	36.84	36.84
Balance with government authorities		
- Considered good	818.87	1,015.53
- Considered doubtful	123.10	142.84
Prepaid expenses	128.53	113.39
Surplus planned assets	310.08	218.77
Accrued lease income	1.95	0.20
Others	1,113.08	745.49
	<b>3,137.52</b>	<b>2,668.50</b>
Less : Provision for doubtful advances	(159.94)	(179.68)
	<b>2,977.58</b>	<b>2,488.82</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 11 INVENTORIES**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>(Lower of cost or net realisable value)</b>		
Raw material	5,482.70	4,490.24
Work in progress	4,923.52	4,273.28
Finished goods including Stock in Trade	2,265.94	2,214.53
Stores and spares	581.05	447.36
	<b>13,253.21</b>	<b>11,425.41</b>
<b>i) The above includes goods in transit as under:</b>		
Raw material	1,343.66	980.37
Stores and spares	21.36	16.92
	<b>1,365.02</b>	<b>997.29</b>

**NOTE - 12 TRADE RECEIVABLES\***

Trade receivables considered good, unsecured	16,853.21	15,146.66
Trade receivables - credit impaired	388.39	402.59
	<b>17,241.60</b>	<b>15,549.25</b>
Less: Allowance for expected credit loss	(388.39)	(402.59)
	<b>16,853.21</b>	<b>15,146.66</b>
<b>Includes trade receivables from companies in which directors are interested<sup>^</sup></b>		
Talbro's Marugo Rubber Private Limited	31.82	26.45
QH Talbro's Private Limited	1,760.03	2,130.15
Talbro's Indiparts Private Limited	891.66	647.79

\*Refer note 45 for ageing details

<sup>^</sup>Refer note 38 for related party transactions

The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 36.

**NOTE - 13 CASH AND CASH EQUIVALENTS**

Cash on hand	8.87	5.81
Balances with banks		
-in current accounts	415.74	98.28
Deposits with original maturity less than 3 months	103.80	101.46
	<b>528.41</b>	<b>205.55</b>

**NOTE - 14 OTHER BANK BALANCES**

Term deposits	3.18	4.68
Margin money deposits (under lien with banks)	244.51	307.26
Earmarked balances with banks		
- Unpaid dividend account	34.26	20.11
	<b>281.95</b>	<b>332.05</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 15 EQUITY SHARE CAPITAL

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>i Authorised</b>				
Equity shares of ₹ 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
	<b>2,00,00,000</b>	<b>2,000.00</b>	<b>2,00,00,000</b>	<b>2,000.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	1,23,45,630	1,234.56	1,23,45,630	1,234.56
	<b>1,23,45,630</b>	<b>1,234.56</b>	<b>1,23,45,630</b>	<b>1,234.56</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
Equity shares				
Balance at the beginning of the year	1,23,45,630	1,234.56	1,23,45,630	1,234.56
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,23,45,630</b>	<b>1,234.56</b>	<b>1,23,45,630</b>	<b>1,234.56</b>

#### iv Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

#### v Details of equity shares held by shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	%	No. of shares	%
<b>Name of the equity shareholders</b>				
Talbro's International Private Limited	52,93,527	42.88%	52,71,548	42.70%

vi There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

vii There are no shares reserved for issue under options or other purpose.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 16 OTHER EQUITY**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
General reserve	848.23	798.23
Retained earnings	26,239.17	21,021.15
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	3,736.44	2,440.78
<b>Total other equity</b>	<b>35,517.35</b>	<b>28,953.67</b>

**Nature and purpose of other reserves****i General reserve**

General reserve is created out of the accumulated profits of the Group as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

**ii Retained earnings**

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

**iii Capital reserve**

Capital reserve includes the amount of share application money forfeited by the Holding Company.

**iv Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

**v Equity instruments through other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

**NOTE - 17****A Long term borrowings**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Secured</b>		
<b>Term Loans</b>		
From banks - Rupee loan		
- HDFC bank	165.91	452.03
- Kotak Mahindra bank	20.75	147.02
- Yes bank	331.76	-
- Vehicle Loans	45.58	77.05
<b>From Others</b>		
- Vehicle loans	44.48	85.58
	<b>608.48</b>	<b>761.68</b>
<b>Amount disclosed under other financial liabilities and Short-term borrowings:</b>		
Current maturity of long-term debts	561.25	829.60
Interest accrued on borrowings	63.81	35.05

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 17 (CONTD.)

#### Notes:

- The Company has taken vehicle loans from banks and others. The amount is secured against moveable fixed assets.
- Term Loan from Kotak Mahindra Bank is secured by first charge on fixed assets to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors.
- Term loan from HDFC Bank is secured by exclusive charge on all the fixed assets purchased out of proceeds of term loan and is further secured by personal guarantee of two directors for takeover portion of TL from Bajaj Finserv only.
- Term Loan from Yes bank Limited is secured by first charge on fixed assets to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2023	March 31, 2022
<b>Term loans, secured</b>				
<b>From banks - Rupee loan</b>				
HDFC Bank	Repayment within 36 monthly instalment from the date of disbursement.	7.15% to 8.15%	165.91	452.03
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	7.10% to 7.10%	45.58	77.05
Kotak Mahindra Bank	48 equal monthly installment after 12 months moratorium period from the date of first disbursement.	7.50% to 8.95%	20.75	147.02
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	8.50% to 9.50%	331.76	-
<b>From others:</b>				
Vehicle Loans	36 equal monthly installments from the date of loan	6.99% to 7.85%	44.48	85.58
			<b>608.48</b>	<b>761.68</b>

	As at March 31, 2023	As at March 31, 2022
<b>B Short term borrowings</b>		
Current maturity of long-term borrowings	561.25	829.60
<b>Secured</b>		
<b>a) Working capital loan from bank</b>		
HDFC Bank*	3,770.18	3,636.27
DBS Bank*	79.47	350.00
Yes Bank*	300.00	300.00
Axis Bank*	1,527.35	1,567.68
Federal Bank *	1,836.88	1,454.36
	<b>8,075.13</b>	<b>8,137.91</b>

#### Notes:

\* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

\*\* Working capital loan from HDFC Bank is secured by personal guarantee of two directors of the Company and working capital loan from Bajaj Finance Limited are secured by Tripartite agreement.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 17 (CONTD.)****Short-term borrowings (excluding current maturities of long-term borrowings)**

Particulars	Terms of repayment	Interest Rate	March 31, 2023	'March 31, 2022
<b>Working capital loan, secured</b>				
HDFC Bank	Within 365 days	4.00% -9.85%	3,770.18	3,636.27
DBS Bank	Within 365 days	4.25%-9.05%	79.47	350.00
Yes Bank	Within 365 days	4.95% - 5.20%	300.00	300.00
Axis Bank	Within 365 days	6.25% -8.95%	1,527.35	1,567.68
Federal Bank	Within 365 days	4.00% - 8.95%	1,836.88	1,454.36
			<b>7,513.88</b>	<b>7,308.31</b>

**C Reconciliation of liabilities arising from financing activities**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings <sup>A</sup>	Total
<b>As at March 31, 2022</b>	18.72	1,591.28	7,325.33	<b>8,935.32</b>
<b>Cash flow:</b>				
- Proceeds from Borrowings	-	406.24	203.48	<b>609.72</b>
- Repayment (including matured deposits)	(14.21)	(827.79)	-	<b>(842.00)</b>
<b>Other movements:</b>				
- Movement in bills discounted from banks	-	-	-	-
<b>Other non-cash movements:</b>				
- Accrual of interest on lease liabilities	1.12	-	-	<b>1.12</b>
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>1,169.73</b>	<b>7,528.81</b>	<b>8,704.17</b>

<sup>A</sup>including unclaimed matured deposits**NOTE - 18**

	As at March 31, 2023	As at March 31, 2022
<b>A Lease liabilities - non-current</b>		
Lease liabilities	-	3.72
	<b>-</b>	<b>3.72</b>
<b>B Lease liabilities - current</b>		
Lease liabilities	5.63	15.00
	<b>5.63</b>	<b>15.00</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 19

	As at March 31, 2023	As at March 31, 2022
<b>A Other financial liabilities - non-current</b>		
Security deposits	22.89	9.05
	<b>22.89</b>	<b>9.05</b>
<b>B Other financial liabilities - current</b>		
Derivative liability on forward contracts	37.30	-
Interest accrued on borrowings	63.81	35.05
Employee related payables	609.92	573.82
Security deposits	67.09	32.48
Unclaimed dividend	34.26	20.11
Unclaimed matured deposits	14.93	17.02
Other payables	12.45	28.66
	<b>839.76</b>	<b>707.14</b>

### NOTE - 20

<b>A Provisions - non-current</b>		
Employees' post retirement/long-term benefits		
Compensated absences	198.43	204.03
	<b>198.43</b>	<b>204.03</b>

For movements in each class of provision during the financial year, refer note 43.

<b>B Provisions - current</b>		
Employees' post retirement/long-term benefits		
Compensated absences	120.68	103.56
	<b>120.68</b>	<b>103.56</b>

For movements in each class of provision during the financial year, refer note 43.

### NOTE - 21

<b>Deferred tax liabilities</b>		
<b>Deferred tax liabilities arising on account of :</b>		
Depreciation	541.72	582.31
Equity instruments carried at FVOCI	1,134.81	741.30
Others	11.44	10.58
<b>Deferred tax asset arising on account of :</b>		
Allowance for doubtful debts and advances	138.00	149.21
Disallowances u/s 43B	96.76	79.92
	<b>1,453.21</b>	<b>1,105.06</b>



**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 21 (CONTD.)**

Particulars	March 31, 2022	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2023
<b>Deferred tax liability:</b>					
Depreciation	582.31	-	(40.59)	-	541.72
Equity instruments carried at FVOCI	741.30	-	-	393.51	1,134.81
Others	10.58	-	0.86	-	11.44
<b>Deferred tax asset:</b>					
Allowance for doubtful debts and advances	149.21	-	(11.21)	-	138.00
Disallowances u/s 43B	79.92	-	24.70	(7.87)	96.76
	<b>1,105.06</b>	<b>-</b>	<b>(53.22)</b>	<b>401.38</b>	<b>1,453.21</b>

**Note:**

- (i) **Breakup of amounts recognised in statement of profit and loss:**
- |                        | March 31, 2023 | March 31, 2022  |
|------------------------|----------------|-----------------|
| Recognised as part of: |                |                 |
| - Deferred tax         | (53.22)        | (201.12)        |
|                        | <b>(53.22)</b> | <b>(201.12)</b> |
- (ii) The Group does not recognise deferred tax liability ₹ 1139.73 Lacs (March 31, 2022 : ₹ 855.15 Lacs) with respect to unremitted retained earnings of joint ventures wherever it controls the timing of the distribution of profits and it is probable that the joint venture will not distribute the profits in the foreseeable future.

**NOTE - 22**

	As at March 31, 2023	As at March 31, 2022
<b>A Other non-current liabilities</b>		
Deferred income	5.59	1.40
Advance from customers^	73.27	11.90
Amount payable government authorities	-	11.19
	<b>78.86</b>	<b>24.49</b>
<b>B Other current liabilities</b>		
Advance from customers^	285.00	156.68
Payable to statutory authorities	232.92	194.75
Deferred income	2.21	0.60
Amount payable government authorities	11.19	24.29
	<b>531.32</b>	<b>376.32</b>
<i>^represents contract liabilities</i>		
<b>Reconciliation of contract liabilities:</b>		
Contract liabilities at the beginning of the year	168.58	180.59
Less: performance obligations satisfied in current year	(95.32)	(128.09)
Add: advance received during the year	285.01	116.08
<b>Contract liabilities at the end of the year</b>	<b>358.27</b>	<b>168.58</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 23

	As at March 31, 2023	As at March 31, 2022
<b>Trade payables*</b>		
Total outstanding dues of micro enterprises and small enterprises	305.91	103.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,586.20	15,210.46
	<b>16,892.11</b>	<b>15,314.39</b>

\*Refer note 38 for related party transactions and note 45 for ageing details.

The Group has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2023 and March 31, 2022:

Particulars	March 31, 2023	March 31, 2022
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	305.91	103.93
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

### Note - 24 REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	60,645.73	54,151.86
Sale of services	33.43	64.54
Other operating income	4,039.16	3,507.63
	<b>64,718.32</b>	<b>57,724.03</b>
<b>Disaggregation of revenue:</b>		
Gaskets	40,215.94	35,334.45
Forgings	20,429.82	18,817.45
Management fees	33.40	64.50
Others	4,039.16	3,507.63
	<b>64,718.32</b>	<b>57,724.03</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 25 OTHER INCOME**

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
- Inter corporate deposits	48.00	48.35
- Fixed deposits with banks	20.87	25.05
- Other financial assets at amortised cost	0.20	0.19
- Others	0.05	1.30
Dividend income from:		
- Related parties	90.76	-
- Others	-	-
Royalty	112.99	95.27
Lease rentals	213.82	198.64
Net gain on foreign currency transactions and translation	-	239.25
Profit on sale of property, plant and equipment (net)	43.17	96.37
Other non-operating income	90.09	62.94
	<b>619.95</b>	<b>767.36</b>

**NOTE - 26 COST OF MATERIALS CONSUMED**

<b>Cost of materials consumed</b>		
Opening inventory	4,490.24	4,280.12
Add: Purchases	36,309.48	31,442.87
	<b>40,799.72</b>	<b>35,722.99</b>
Less: Closing inventory	5,482.70	4,490.24
	<b>35,317.02</b>	<b>31,232.75</b>

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cost of raw materials consumed include:</b>		
Tinplate/P.C.R.C.A/steel/copper	8,893.99	8,631.29
Jointing	7,918.76	6,865.04
Forging steels	10,907.39	10,051.97
Bought out auto components and parts	4,869.50	3,925.21
Others	2,727.38	1,759.24
	<b>35,317.02</b>	<b>31,232.75</b>

**NOTE - 27 PURCHASE OF STOCK-IN-TRADE**

Dyna bond	496.91	387.65
	<b>496.91</b>	<b>387.65</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 28 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade)	2,265.94	2,214.53
Work-in-progress	4,923.52	4,273.28
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade)	2,214.53	1,399.45
Work-in-progress	4,273.28	4,114.10
<b>Net decrease</b>	<b>(701.65)</b>	<b>(974.26)</b>

### NOTE - 29 EMPLOYEE BENEFITS EXPENSE

Salaries and wages	6,268.21	5,800.94
Contributions to provident and other fund	287.31	283.13
Staff welfare expenses	513.87	426.45
	<b>7,069.39</b>	<b>6,510.52</b>

### NOTE - 30 FINANCE COSTS

Interest on borrowings	1,041.68	1,063.87
Interest on lease liabilities	1.12	2.49
Interest on others	1.95	2.45
Other borrowing cost	91.12	107.92
	<b>1,135.87</b>	<b>1,176.73</b>

### NOTE - 31 DEPRECIATION AND AMORTISATION EXPENSE

<b>Depreciation on:</b>		
- Property plant and equipment <sup>^</sup>	2,371.70	2,243.09
- Investment property	15.82	15.99
<b>Amortisation of:</b>		
- Intangible assets	41.16	72.03
	<b>2,428.68</b>	<b>2,331.11</b>
Less: depreciation capitalised	56.34	42.46
	<b>2,372.34</b>	<b>2,288.65</b>

<sup>^</sup>Includes depreciation on right of use assets ₹ 16.57 Lacs (previous year ₹ 22.90 Lacs )

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 32 OTHER EXPENSES**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Consumption of stores and spares parts	4,552.42	3,936.43
Labour and processing charges	779.82	648.16
Royalty	35.36	21.40
Power and fuel	2,002.36	2,120.33
Rent	19.94	9.34
Repairs to buildings	176.32	93.89
Repairs to plant & machinery	629.04	561.55
Repairs to other assets	257.83	276.21
Insurance	175.21	143.36
Travelling, tour & conveyance	782.47	584.75
Sales promotion expenses	317.30	294.01
Packing, freight & forwarding	2,899.77	3,382.80
Rates and taxes	24.70	20.55
Corporate social responsibility expenditure	48.12	40.37
Allowance for doubtful trade receivables/advances	146.66	194.85
Advances written off	180.60	276.79
Provisions no longer required written back	(180.60)	(273.08)
Legal and professional	199.34	188.53
Payment to auditors:		
- As Auditors:		
Audit fee	14.73	11.80
Tax audit fee	2.00	2.42
- In other capacity:		
Limited review	3.00	1.76
Other services	0.28	0.28
Out of pocket expenses	2.80	0.58
Donation	-	11.30
Net loss on foreign currency transactions & translation	127.30	-
Miscellaneous expenses	610.22	468.37
	<b>13,806.99</b>	<b>13,016.75</b>

**i Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- Gross amount required to be spent by the Company during the year is ₹ 40.37 Lacs (March 31, 2022: ₹ 40.37 Lacs).
- Amount spent during the financial year ended March 31, 2023 and March 31, 2022 on:

<b>Particulars</b>	<b>Year</b>	<b>Amount paid</b>	<b>Amount yet to be paid</b>	<b>Total</b>
Contribution to Prime Minister's National Relief Fund	March 31, 2023	-	-	-
	March 31, 2022	0.61	-	0.61
Donation paid to charitable trust	March 31, 2023	48.12	-	48.12
	March 31, 2022	39.76	-	39.76

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 33 INCOME TAX

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Tax expense comprises of:</b>		
Current tax	1,517.48	1,294.34
Deferred tax charge	(53.22)	(201.12)
Earlier years tax adjustments (net)	6.81	54.43
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,471.07</b>	<b>1,147.65</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Accounting profit before income tax</b>	<b>7,028.77</b>	<b>5,636.27</b>
At India's statutory income tax rate of 25.168%	1,769.00	1,444.30
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Impact of different rate of tax	-	3.26
Earlier years tax adjustments (net)	6.81	54.43
Impact of tax on profit from joint ventures	(399.34)	(200.82)
Others	94.60	(153.52)
<b>Income tax expense</b>	<b>1,471.07</b>	<b>1,147.65</b>

### NOTE - 34 EARNINGS PER SHARE (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders	5,557.70	4,488.62
Profit attributable to equity shareholders adjusted for the effect of dilution	5,557.70	4,488.62
Weighted average number of equity shares for Basic EPS	1,23,45,630	1,23,45,630
Weighted average number of equity shares for Diluted EPS	1,23,45,630	1,23,45,630
(1) Basic	45.02	36.36
(2) Diluted	45.02	36.36

### NOTE - 35 FAIR VALUE DISCLOSURES

#### (i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 35 FAIR VALUE DISCLOSURES (CONTD.)****(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments at FVOCI	-	-	5,527.32	5,527.32
Derivative assets on forward contracts	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>5,527.32</b>	<b>5,527.32</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	37.30	-	37.30
<b>Total financial liabilities</b>	<b>-</b>	<b>37.30</b>	<b>-</b>	<b>37.30</b>

March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments at FVOCI	-	-	3,838.14	3,838.14
Derivative Asset on forward contracts	-	52.56	-	52.56
<b>Total financial assets</b>	<b>-</b>	<b>52.56</b>	<b>3,838.14</b>	<b>3,890.70</b>

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of net asset value for mutual funds on the basis of the statement received from investee party.
- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

**(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.**

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022	1% increase in inputs	1% decrease in inputs
Unquoted equity shares	5,527.32	3,838.14	Terminal growth rate	5%	5%	March 31, 2023: ₹ 5,736 Lacs March 31, 2022: - ₹ 4,142.00 Lacs	March 31, 2023: ₹ 5,384 Lacs March 31, 2022: - ₹ 3,597.00 Lacs

\*Sensitivity has been considered for mentioned inputs, keeping the other variables constant

**(v) The following table presents the changes in level 3 items for the year ended March 31, 2023 and March 31, 2022:**

Particulars	Equity shares
<b>As at April 01, 2021</b>	<b>2,146.00</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,692.14
<b>As at March 31, 2022</b>	<b>3,838.14</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,689.18
<b>As at March 31, 2023</b>	<b>5,527.32</b>



## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 35 FAIR VALUE DISCLOSURES (CONTD.)

#### (vi) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2023		March 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	151.68	151.68	150.14	150.14
Other financial assets	Level 3	128.15	128.15	35.86	35.86
<b>Total financial assets</b>		<b>279.83</b>	<b>279.83</b>	<b>186.00</b>	<b>186.00</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	1,233.54	1,233.54	1,626.33	1,626.33
Other financial liabilities	Level 3	22.89	22.35	9.05	9.16
<b>Total financial liabilities</b>		<b>1,256.43</b>	<b>1,255.89</b>	<b>1,635.38</b>	<b>1,635.49</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

### NOTE - 36 FINANCIAL RISK MANAGEMENT

#### (i) Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial assets</b>						
Investments*	-	5,527.32	-	-	3,838.14	-
Trade receivables	-	-	16,853.21	-	-	15,146.66
Loans	-	-	388.20	-	-	428.52
Cash and cash equivalents	-	-	528.41	-	-	205.55
Other bank balances	-	-	281.95	-	-	332.05
Other financial assets	-	-	240.84	52.56	-	193.03
Security deposits	-	-	179.35	-	-	174.27
<b>Total financial assets</b>	<b>-</b>	<b>5,527.32</b>	<b>18,471.96</b>	<b>52.56</b>	<b>3,838.14</b>	<b>16,480.08</b>
<b>Financial liabilities</b>						
Borrowings	-	-	8,747.42	-	-	8,934.64
Lease liabilities	-	-	5.63	-	-	18.72
Trade payables	-	-	16,892.11	-	-	15,314.39
Other financial liabilities	37.30	-	761.54	-	-	681.14
<b>Total financial liabilities</b>	<b>37.30</b>	<b>-</b>	<b>26,406.70</b>	<b>-</b>	<b>-</b>	<b>24,948.89</b>

\*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)****(ii) Risk management framework**

The Group's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Holding Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Group's risk management is carried out by a central treasury department (of the Holding Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

**(A) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions

**a) Credit risk management**

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Assets under credit risk –

Credit rating	Particulars	March 31, 2023	March 31, 2022
A: Low	Loans	388.20	428.52
	Other financial assets	420.18	367.30
	Cash and cash equivalents	528.41	205.55
	Other bank balances	281.95	332.05
B: Medium	Trade receivables	17,241.60	15,549.25

*Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

*Trade receivables*

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

*Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses

*Trade receivables*

- (i) The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2023		March 31, 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	16,540.11	701.49	14,950.09	599.16
Expected loss rate	2.23%	2.80%	2.54%	3.71%
Expected credit loss (loss allowance provision)	368.72	19.67	380.39	22.20

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on April 01, 2021</b>	<b>467.87</b>
Add: Changes in loss allowances	(65.28)
<b>Loss allowance on March 31, 2022</b>	<b>402.59</b>
Less: Changes in loss allowances	(14.20)
<b>Loss allowance on March 31, 2023</b>	<b>388.39</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)*****Other financial assets measured at amortised cost***

Group provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Financing arrangements**

The Group has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (cash credit and other facilities)	794.00	1,200.00
Expiring beyond one year (bank loans - floating rate)	-	-

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2023	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,151.64	593.00	92.79	8,837.43
Security deposit received	67.09	7.30	15.59	89.98
Trade payable	16,892.11	-	-	16,892.11
Other financial liabilities	772.67	-	-	772.67
<b>Total</b>	<b>25,883.51</b>	<b>600.30</b>	<b>108.38</b>	<b>26,592.19</b>

March 31, 2022	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,218.82	807.41	-	9,026.23
Security deposit received	32.48	9.05	-	41.53
Trade payable	15,314.38	-	-	15,314.38
Other financial liabilities	674.66	-	-	674.66
<b>Total</b>	<b>24,240.34</b>	<b>816.46</b>	<b>-</b>	<b>25,056.80</b>

**(C) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

#### (i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited.

#### Exposure to currency risk:

##### Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2023	March 31, 2022
<b>Import trade payables:</b>		
EURO (in Lacs)	10.31	12.36
INR (₹ in Lacs)	922.84	1,039.70
US\$ (in Lacs)	51.89	43.28
INR (₹ in Lacs)	4,268.22	3,280.90
GBP (in Lacs)	0.15	0.27
INR (₹ in Lacs)	15.07	27.27
JPY (in Lacs)	268.25	232.04
INR (₹ in Lacs)	165.78	144.21
<b>Export trade receivables:</b>		
EURO (in Lacs)	26.27	31.19
INR (₹ in Lacs)	2,351.17	2,623.87
US\$ (in Lacs)	20.96	21.42
INR (₹ in Lacs)	1,723.68	1,623.06
GBP (in Lacs)	0.64	0.94
INR (₹ in Lacs)	64.72	93.37
AUD (in Lacs)	-	0.03
INR (₹ in Lacs)	-	1.67

The Group does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2023	March 31, 2022
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	18.50	-
INR (₹ in Lacs)	1,655.94	-
US\$ (in Lacs)	17.75	26.00
INR (₹ in Lacs)	1,459.76	1,970.28

All the above contracts are maturing within one year.

#### Sensitivity

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)**

Particulars	Currency	Strengthening		Weakening	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Financial assets</b>					
5% movement (previous year 1%)	EURO	(53.44)	(11.78)	53.44	11.78
4% movement (previous year 4%)	US\$	76.17	49.32	(76.17)	(49.32)
5% movement (previous year 1%)	YEN	6.20	1.07	(6.20)	(1.07)

**(ii) Interest rate risk**

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowing	8,593.55	8,736.97
Fixed rate borrowing	90.06	162.62
<b>Total borrowings</b>	<b>8,683.61</b>	<b>8,899.59</b>

**Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2023	March 31, 2022
Interest rates – increase by 50 basis points	(32.15)	(32.49)
Interest rates – decrease by 50 basis points	32.15	32.49

**iii) Assets**

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**iv) Price risk****Exposure**

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets..

Particulars	March 31, 2023	March 31, 2022
Investments carried at fair value through other comprehensive income	5,527.32	3,838.14
<b>Total investments</b>	<b>5,527.32</b>	<b>3,838.14</b>

**Sensitivity**

Refer note 35(iv) for sensitivity analysis.

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 37

#### A Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio at 31<sup>st</sup> March, 2023 was as follows.

Particulars	March 31, 2023	March 31, 2022
Total borrowings	8,747.41	8,934.64
Less : cash and cash equivalents	528.41	205.55
<b>Net debt</b>	<b>8,219.00</b>	<b>8,729.09</b>
Total equity	36,751.91	30,188.23
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.22</b>	<b>0.29</b>

#### B Dividend

Particulars	March 31, 2023	March 31, 2022
<b>Proposed dividend</b>		
Proposed dividend for the year ended March 31, 2023 - ₹ 2.00 per share (March 31, 2022 - ₹ 2.00 per share)	246.91	246.91
<b>Final dividend paid</b>		
Final dividend for the year ended March 31, 2023 - ₹ 2.50 per share (March 31, 2022 - ₹ 3.00 per share)	308.64	370.37



**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 38 RELATED PARTY TRANSACTIONS**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

**i) Parties where control exists:****Jointly controlled entities**

- (i) Nippon Leakless Talbros Private Limited
- (ii) Marelli Talbros Chassis Systems Private Limited
- (iii) Talbros Marugo Rubber Private Limited

**Investing party in respect of which the Company is a subsidiary**

- (i) Talbros International Private Limited

**Key management personnel and their relatives**

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Anil Kumar Mehra
- (ix) Mr. Tarun Singhal
- (x) Mr. Amit Burman
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

**Enterprise over which key management personnel exercise significant influences**

- (i) QH Talbros Private Limited
- (ii) Talbros Indiparts Private Limited

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 38 RELATED PARTY TRANSACTIONS (CONTD.)

#### (ii) Transactions with related parties carried out in the ordinary course of business:

##### (a) Transactions with joint ventures and associates:

S. No.	Particulars	March 31, 2023	March 31, 2022
<b>1</b>	<b>Sale of goods</b>		
	QH Talbro's Private Limited	6,511.11	6,241.94
	Talbro's Indiparts Private Limited	3,593.61	3,699.23
	Nippon Leakless Talbro's Private Limited	39.33	27.69
	Talbro's Marugo Rubber Private Limited	38.37	5.65
	Marelli Talbro's Chassis Systems Private Limited	0.16	-
<b>2</b>	<b>Sale of services</b>		
	Talbro's Marugo Rubber Private Limited	35.40	35.40
	Talbro's Indiparts Private Limited	2.36	20.23
<b>3</b>	<b>Purchase of services</b>		
	Talbro's Indiparts Private Limited	-	101.44
<b>4</b>	<b>Royalty income</b>		
	QH Talbro's Private Limited	124.30	109.00
	Talbro's Indiparts Private Limited	9.02	3.42
<b>5</b>	<b>Purchase of goods</b>		
	Nippon Leakless Talbro's Private Limited	73.07	54.42
	Talbro's Marugo Rubber Private Limited	1.08	3.75
<b>6</b>	<b>Lease rental income</b>		
	Marelli Talbro's Chassis Systems Private Limited	208.37	198.45
	Talbro's Indiparts Private Limited	16.35	15.58
<b>7</b>	<b>Reimbursement of expenses/payments</b>		
	Marelli Talbro's Chassis Systems Private Limited	96.98	89.93
	Talbro's Marugo Rubber Private Limited	3.23	0.09
	Talbro's International Private Limited	8.77	5.40
	QH Talbro's Private Limited	32.53	-
	Talbro's Indiparts Private Limited	42.26	24.85
<b>8</b>	<b>Dividend paid</b>		
	Talbro's International Private Limited	132.02	158.05
<b>9</b>	<b>Dividend Received</b>		
	Talbro's International Private Limited	55.73	-
	QH Talbro's Private Limited	26.69	-

**Note: All transactions are inclusive of taxes, wherever applicable**

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 38 RELATED PARTY TRANSACTIONS (CONTD.)**

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

S. No.	Balance Outstanding at the end of the year	March 31, 2023	March 31, 2022
<b>1</b>	<b>Outstanding balance included in financial assets (Trade receivable and other recoverable)</b>		
	Talbro's Marugo Rubber Private Limited	31.82	26.45
	QH Talbro's Private Limited	1,760.03	2,130.15
	Talbro's Indiparts Private Limited	891.66	647.79
<b>2</b>	<b>Outstanding balance included in financial liabilities</b>		
	Nippon Leakless Talbro's Private Limited	6.92	2.55
	Marelli Talbro's Chassis Systems Private Limited	22.26	22.26
	Talbro's Marugo Rubber Private Limited	-	6.12
	Talbro's Indiparts Private Limited	-	41.10

**(b) Transactions with key management personnel and their relatives :**

S. No.	Particulars	March 31, 2023	March 31, 2022
<b>1</b>	<b>Remuneration</b>		
	<b>Short-term employee benefits</b>		
	Mr. Umesh Talwar	163.13	163.13
	Mr. Anuj Talwar	139.70	139.70
	Mr. Manish Khanna	52.40	46.73
	Ms. Seema Narang	36.28	29.40
	<b>Other long-term benefits</b>		
	Mr. Umesh Talwar	(0.19)	0.12
	Mr. Anuj Talwar	(0.16)	(3.34)
	Mr. Manish Khanna	0.85	0.51
	Ms. Seema Narang	0.59	0.55
	<b>Post-employment benefits</b>		
	Mr. Umesh Talwar	16.23	16.23
	Mr. Anuj Talwar	13.03	5.73
	Mr. Manish Khanna	3.02	2.40
	Ms. Seema Narang	3.11	2.90
	Fee for attending board & committee meetings to all the KMP's	11.10	10.35
<b>2</b>	<b>Rent paid</b>		
	Mrs. Kum Kum Talwar	7.20	7.20

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 39 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total consolidated income	Amount
<b>Parent</b>								
Talbro's Automotive Components Limited	80.58%	29,615.44	78.64%	4,370.33	100.34%	1,319.05	82.79%	5,689.38
<b>Joint venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Nippon Leakless Talbro's Private Limited	9.05%	3,326.29	8.49%	471.66	0.05%	0.65	6.87%	472.31
Marelli Talbro's Chassis Systems Private Limited	8.11%	2,981.33	10.32%	573.75	-0.08%	(1.00)	8.33%	572.75
Talbro's Marugo Rubber Private Limited	2.25%	828.85	2.55%	141.96	-0.31%	(4.08)	2.01%	137.88
<b>Total</b>	<b>100.00%</b>	<b>36,751.91</b>	<b>100.00%</b>	<b>5,557.70</b>	<b>100.00%</b>	<b>1,314.62</b>	<b>100.00%</b>	<b>6,872.32</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 40 GROUP INFORMATION****(a) Interests in joint ventures**

Set out below are joint ventures of the Holding Company as at March 31, 2023 which, in the opinion of the directors, are material to the Holding Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% equity Interest	Relationship	Accounting method
Nippon Leakless Talbros Private Limited	India	40%	Joint Venture	Equity method
Talbros Marugo Rubber Private Limited	India	50% less one share	Joint Venture	Equity method
Marelli Talbros Chassis Systems Private Limited	India	50%	Joint Venture	Equity method

**(i) Contingent liabilities and commitments (net of advance) in respect of joint ventures for which the Holding Company is liable.**

- (a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 212.56 Lacs (March 31, 2022: ₹ 54.35 Lacs).
- (b) Outstanding exports commitments against EPCG license amounting to ₹ 158.20 Lacs (March 31, 2022 : ₹ 633.60 Lacs)
- (c) Guarantees executed in favour of customers and authorities amounting to ₹ 87.15 Lacs (March 31, 2022: ₹ 0.34 Lacs).
- (d) Demand of excise duty amounting to ₹ 2.70 Lacs (March 31, 2022 : NIL)
- (e) Income tax demands pending in appeals  
Income tax demand on disallowance of expenditures amounting to ₹ 3.43 Lacs (March 31, 2022: ₹ 97.85 Lacs).
- (f) Custom duty  
Differential custom duty due to dispute over classification of goods amounting to ₹ 24.51 Lacs (March 31, 2022: ₹ 24.51 Lacs).
- (g) Bonus payable amounting to ₹ 1.33 Lacs (March 31, 2022: ₹ 1.33 Lacs).

**(ii) Summarised financial information for joint venture**

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Holding Company's share of those amounts.

Summarized balance sheet	Nippon Leakless Talbros Private Limited		Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Current assets</b>						
Cash and cash equivalents	608.79	829.50	92.13	6.98	187.50	2.70
Other assets	7,217.01	5,500.26	3,599.02	2,103.68	4,566.10	4,375.10
<b>Total current assets</b>	<b>7,825.80</b>	<b>6,329.76</b>	<b>3,691.15</b>	<b>2,110.66</b>	<b>4,753.60</b>	<b>4,377.80</b>
Property, plant and equipment	1,717.29	1,836.74	2,083.70	2,106.83	3,594.80	3,367.98
Other assets	115.63	126.85	941.28	245.89	2,798.10	1,401.30
<b>Total non-current assets</b>	<b>1,832.92</b>	<b>1,963.59</b>	<b>3,024.98</b>	<b>2,352.72</b>	<b>6,392.90</b>	<b>4,769.28</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 40 GROUP INFORMATION (CONTD.)

Summarized balance sheet	Nippon Leakless Talbros Private Limited		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Current liabilities</b>						
Trade payables	1,136.81	963.30	2,900.40	1,777.82	2,215.60	1,902.90
Financial liabilities (excluding trade payables)	83.28	62.47	954.13	631.31	773.40	742.10
Other liabilities	67.72	67.97	115.67	62.19	344.90	161.80
<b>Total current liabilities</b>	<b>1,287.81</b>	<b>1,093.74</b>	<b>3,970.20</b>	<b>2,471.32</b>	<b>3,333.90</b>	<b>2,806.80</b>
<b>Non-current liabilities</b>						
Financial liabilities	-	0.62	1,008.00	556.23	1,417.50	1,213.30
Other liabilities	55.20	64.07	80.20	53.86	432.40	309.82
<b>Total non-current liabilities</b>	<b>55.20</b>	<b>64.69</b>	<b>1,088.20</b>	<b>610.09</b>	<b>1,849.90</b>	<b>1,523.12</b>
<b>Net assets</b>	<b>8,315.71</b>	<b>7,134.92</b>	<b>1,657.73</b>	<b>1,381.97</b>	<b>5,962.70</b>	<b>4,817.16</b>

### Reconciliation to carrying amounts

Summarized balance sheet	Nippon Leakless Talbros Private Limited		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Opening net assets</b>	7,134.92	6,177.41	1,381.97	1,388.76	4,817.16	4,008.41
Profit/ (loss) for the year	1,179.16	959.57	283.92	(10.56)	1,147.54	810.25
Other comprehensive income	1.63	(2.06)	(8.16)	3.77	(2.00)	(1.50)
Dividends paid	-	-	-	-	-	-
<b>Closing net assets</b>	<b>8,315.71</b>	<b>7,134.92</b>	<b>1,657.73</b>	<b>1,381.97</b>	<b>5,962.70</b>	<b>4,817.16</b>
Holding Company's share in %	40.00%	40.00%	50.00%	50.00%	50.00%	50.00%
Holding Company's share in Indian Rupees	3,326.29	2,853.97	828.85	690.98	2,981.33	2,408.58
<b>Carrying amount as at March 31, 2023 and March 31, 2022</b>	<b>3,326.29</b>	<b>2,853.97</b>	<b>828.85</b>	<b>690.98</b>	<b>2,981.33</b>	<b>2,408.58</b>

### Summarized statement of profit and loss

Summarized balance sheet	Nippon Leakless Talbros Private Limited		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Revenue</b>	8,615.24	7,260.53	8,531.81	5,493.39	20,979.70	16,447.90
Other income	271.33	163.46	2.23	3.77	19.00	37.90
Depreciation and amortisation	311.85	323.19	177.76	185.60	701.80	454.51
Income tax expense	422.20	318.98	138.84	(38.83)	483.30	367.00
<b>Profit/(loss) for the year</b>	<b>1,179.16</b>	<b>959.57</b>	<b>283.92</b>	<b>(10.56)</b>	<b>1,147.54</b>	<b>810.25</b>
Other comprehensive income	1.63	(2.06)	(8.16)	3.77	(2.00)	(1.50)
<b>Total comprehensive income</b>	<b>1,180.79</b>	<b>957.51</b>	<b>275.76</b>	<b>(6.79)</b>	<b>1,145.54</b>	<b>808.75</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 41 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)****A Contingent liabilities****(1) Claims against the Holding Company not acknowledged as debts:-**

Particulars	Nature of dues	March 31, 2023	March 31, 2022
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	38.67	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest, March 31, 2019: ₹ 4.13 Lacs)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	50.74	48.00
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
<b>Total</b>		<b>462.86</b>	<b>460.12</b>

\*Retrospective bonus liability for F.Y 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

**(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 207.89 Lacs (March 31, 2022: ₹ 93.12 Lacs).****B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 1875.11 Lacs (March 31, 2022: ₹ 735.59 Lacs).

**NOTE - 42****(i) Leases disclosure as lessee**

**A** The Holding Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Holding Company by entering into these leases and there are no subleases. The Holding Company is prohibited from selling or pledging the underlying leased assets as security.

**B Lease liabilities are presented in the statement of financial position as follows:**

Particulars	March 31, 2023	March 31, 2022
Non-current	-	3.72
Current	5.63	15.00
<b>Total</b>	<b>5.63</b>	<b>18.72</b>

**C The table below describes the nature of the Holding Company's leasing activities by type of right-of-use asset recognised on balance sheet:**

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	1	0-1	0.47
Land	2	90-99	72.58

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE 42 (CONTD.)

#### D Future minimum lease payments as on March 31, 2023 are as follows:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
<b>Minimum lease payments due</b>						
Within 1 year	5.74	0.11	5.63	14.21	0.62	13.59
1-2 years	-	-	-	5.74	0.61	5.13
2-3 years	-	-	-	-	-	-
	<b>5.74</b>	<b>0.11</b>	<b>5.63</b>	<b>19.95</b>	<b>1.23</b>	<b>18.72</b>

#### E Lease payments not recognized as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2023	March 31, 2022
Short term leases	19.94	9.34
Leases of low value assets	-	-
Variable lease payments	-	-
<b>Total</b>	<b>19.94</b>	<b>9.34</b>

#### F Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Carrying amount	Depreciation expense
<b>As on March 31, 2022</b>		
Vehicles	0.55	6.88
Building	16.74	11.42
Land	351.37	4.60
	<b>368.66</b>	<b>22.90</b>
<b>As on March 31, 2023</b>		
Vehicles	-	0.55
Building	5.32	11.42
Land	346.77	4.60
	<b>352.09</b>	<b>16.57</b>

#### (ii) Leases disclosure as lessor

##### Operating leases

The Holding Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 213.82 Lacs (March 31, 2022: ₹ 198.64 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 25). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2023	March 31, 2022
Within one year	222.39	211.80
Later than one year but not later than five years	639.22	861.61
Later than five years	-	-



**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 43 EMPLOYEE BENEFITS****1 Defined contribution plans:**

- A** The Holding Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Holding Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Holding Company:

**Provident Fund Plan & Employee Pension Scheme:** The Holding Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

**Superannuation Scheme:** The Holding Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

- B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2023	March 31, 2022
(a) Employer's contribution to Provident fund & other funds	224.56	208.60
(b) Employer's contribution to superannuation fund	8.02	8.00

**2 Other Long Term Employee Benefits**

- A** Compensated absences- Earned leave

**Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**i) Amounts recognized in the balance sheet**

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the end of the year	319.11	307.59
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(319.11)	(307.59)

**ii) Expenses recognised in statement of profit and loss**

Particulars	March 31, 2023	March 31, 2022
Current service cost	94.35	87.91
Interest cost	19.97	19.17
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(4.62)	(25.61)
- Changes in experience adjustment	(35.41)	(26.57)
<b>Cost recognised during the year</b>	<b>74.29</b>	<b>54.90</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

#### iii) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at the beginning of the year	307.59	314.48
Current service cost	94.35	87.91
Interest cost	19.97	19.17
Actuarial (gain)/loss net	(40.03)	(52.18)
Benefits paid	(62.77)	(61.79)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>319.11</b>	<b>307.59</b>

#### iv) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.36%	7.23%
Salary escalation rate	6.00%	6.00%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

### 3 Defined benefit plans:

#### A Gratuity

##### Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

#### i) Amounts recognised in the balance sheet

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the end of the year	810.56	783.90
Fair value of plan assets	1,120.64	1,002.67
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	310.08	218.77

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 43 EMPLOYEE BENEFITS (CONTD.)****ii) Expenses recognised in other comprehensive income**

Particulars	March 31, 2023	March 31, 2022
Return on plan assets	3.17	1.02
Actuarial (gain)/loss on PBO	(34.42)	(26.65)
(Gain)/expenses recognised in other comprehensive income	<b>(31.25)</b>	<b>(25.63)</b>

**iii) Actuarial (gain)/loss on obligation**

Particulars	March 31, 2023	March 31, 2022
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(6.92)	(57.33)
- Changes in experience adjustment	(27.50)	30.68

**iv) Expenses recognised in statement of profit and loss**

Particulars	March 31, 2023	March 31, 2022
Current service cost	63.00	62.81
Interest cost (net)	(19.56)	(8.66)
<b>Cost recognised during the year</b>	<b>43.44</b>	<b>54.15</b>

**v) Movement in the liability recognised in the balance sheet is as under:**

Particulars	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at the beginning of the year	783.90	804.65
Current service cost	63.00	62.81
Interest cost	54.63	50.76
Actuarial (gain)/loss net	(34.42)	(26.65)
Benefits paid	(56.55)	(107.67)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>810.56</b>	<b>783.90</b>

**vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:**

Particulars	March 31, 2023	March 31, 2022
Present value of plan assets at the beginning of the year	1,002.67	813.68
Return on plan assets	71.02	58.40
Contributions by employer	103.50	238.34
Benefits paid during the year	(56.55)	(107.75)
<b>Present value of plan assets at the end of the year</b>	<b>1,120.64</b>	<b>1,002.67</b>

**vii) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:**

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.36%	7.23%
Salary escalation rate	6.00%	6.00%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 43 EMPLOYEE BENEFITS (CONTD.)

#### vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2023	For the year ended March 31, 2022	March 31, 2023	March 31, 2022
April 2023- March 2024	April 2022- March 2023	272.59	199.91
April 2024- March 2028	April 2023- March 2027	192.28	236.84
April 2028- March 2033	April 2027- March 2032	208.34	205.81
April 2033 onwards	April 2032 onwards	864.79	855.58

#### vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)

For the year ended March 31, 2023	For the year ended March 31, 2022	March 31, 2023	March 31, 2022
April 2023- March 2024	April 2022- March 2023	274.91	201.71
April 2024- March 2028	April 2023- March 2027	236.89	282.71
April 2028- March 2033	April 2027- March 2032	387.99	368.88
April 2033 onwards	April 2032 onwards	2,733.17	2,875.97

#### viii) Sensitivity analysis for defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	761.39	735.03
Impact due to decrease of 1.00 %	867.27	840.43
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	867.48	840.57
Impact due to decrease of 1.00 %	760.37	734.07

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2023 is 14 to 19 years (March 31, 2022: 14 to 19 years).

### NOTE - 44

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2023 is ₹ 258.87 Lacs (March 31, 2022: ₹ 211.99 Lacs)

### NOTE - 45 NEW DISCLOSURES AS PER THE REQUIREMENTS OF DIVISION II OF SCHEDULE III TO THE ACT

#### A Ageing schedule of capital work-in-progress

March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	473.57	4.16	-	-	477.73
March 31, 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	325.02	-	-	-	325.02

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 45 NEW DISCLOSURES AS PER THE REQUIREMENTS OF DIVISION II OF SCHEDULE III TO THE ACT (CONTD.)****B Ageing schedule of trade receivables**

March 31, 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	14,023.44	2,345.09	171.58	433.93	-	-	16,974.04
Undisputed trade receivables – credit impaired	-	-	-	-	106.39	142.03	248.42
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Total</b>	<b>14,023.44</b>	<b>2,345.09</b>	<b>171.58</b>	<b>433.93</b>	<b>106.39</b>	<b>161.17</b>	<b>17,241.60</b>

March 31, 2022	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	12,205.81	2,485.95	258.33	248.07	-	-	15,198.16
Undisputed trade receivables – credit impaired	-	-	-	-	116.03	215.92	331.95
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Total</b>	<b>12,205.81</b>	<b>2,485.95</b>	<b>258.33</b>	<b>248.07</b>	<b>116.03</b>	<b>235.06</b>	<b>15,549.25</b>

**C Ageing schedule of trade payables**

March 31, 2023	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	305.91	-	-	-	-	305.91
Others	13,616.45	2,879.29	84.99	5.47	-	16,586.20
<b>Total</b>	<b>13,922.36</b>	<b>2,879.29</b>	<b>84.99</b>	<b>5.47</b>	<b>-</b>	<b>16,892.11</b>

March 31, 2022	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	103.93	-	-	-	-	103.93
Others	12,780.24	2,378.85	18.26	7.45	25.66	15,210.46
<b>Total</b>	<b>12,884.17</b>	<b>2,378.85</b>	<b>18.26</b>	<b>7.45</b>	<b>25.66</b>	<b>15,314.39</b>

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 45 NEW DISCLOSURES AS PER THE REQUIREMENTS OF DIVISION II OF SCHEDULE III TO THE ACT (CONTD.)

#### D Details of promoter shareholding

Name of promoter	March 31, 2023			March 31, 2022		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	1,87,510	1.52%	0.00%	1,87,510	1.52%	-50.00%
Vidur Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	100.00%
Bimpi Talwar	1,87,509	1.52%	0.00%	1,87,509	1.52%	-50.00%
Naresh Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	-50.00%
Asha Burman	43,347	0.35%	0.00%	43,347	0.35%	0.00%
Varun Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	100.00%
Anuj Talwar	3,75,018	3.04%	0.00%	3,75,018	3.04%	100.00%
Kumkum Talwar	2,81,264	2.28%	0.00%	2,81,264	2.28%	-45.39%
Talbro's International Private Limited	52,93,527	42.88%	0.42%	52,71,548	42.70%	0.19%

### NOTE - 46 SEGMENT INFORMATION

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

#### i Information about major customers

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

#### ii Information about geographical areas

Particulars	March 31, 2023	March 31, 2022
<b>Revenue from operations attributed to:</b>		
Country of domicile (India)	46,248.19	42,164.60
Foreign countries	18,470.13	15,559.43
<b>Total</b>	<b>64,718.32</b>	<b>57,724.03</b>

**Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)**

(All amounts in ₹ lacs, unless otherwise stated)

**NOTE - 47 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013:****(a) Investments made:**

Name of the investee	Amount invested during the year 2022-23	Amount as on March 31, 2023	Amount invested during the year 2021-22	Amount as on March 31, 2023
<b>Investment in equity instruments</b>				
<b>Investment in Joint ventures</b>				
(i) Nippon Leakless Talbros Private Limited	-	480.00	-	480.00
(ii) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
<b>Investment in others</b>				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
<b>Total</b>	-	<b>3,264.07</b>	-	<b>3,264.07</b>

**(b) Inter corporate deposits given (proposed to be utilised for business purposes):**

Name of the payee	Paid/ (recovered) during the year 2022-23	Outstanding amount as on March 31, 2023*	Paid/ (recovered) during the year 2021-22	Outstanding amount as on March 31, 2022*
(i) Fastech Builders Private Limited	-	45.00	-	45.00
(ii) Fastech Projects Private Limited	(25.00)	15.00	-	40.00
(iii) Bankey Bihari Engineers LLP	(15.00)	85.00	-	100.00
(iv) Express Engineers & Spares Private Limited	-	200.00	-	200.00
<b>Total</b>	<b>(40.00)</b>	<b>345.00</b>	-	<b>385.00</b>

\* Outstanding amount excludes interest accrued on deposits.

**(c) Guarantee given (proposed to be utilised for business purposes):**

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2023	Outstanding amount as on March 31, 2022
(ii) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Private Limited)	200.00	200.00

## Consolidated Notes to the financial statements for the year ended March 31, 2023 (Contd.)

(All amounts in ₹ lacs, unless otherwise stated)

### NOTE - 48

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Group has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Group does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vi) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Group ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Group does not have any transactions with companies struck off.
- (ix) The Group has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017..

**For and on behalf of Talbros Automotive Components Limited**

#### For J.C Bhalla & Co

Chartered Accountants  
Firm Registration No.: 001111N

#### per Akhil Bhalla

Partner  
Membership No. 505002

#### Anuj Talwar

Joint Managing Director  
[DIN: 00628063]

#### Manish Khanna

Chief Financial Officer

#### Umesh Talwar

Vice Chairman and Managing Director  
[DIN: 00059271]

#### Seema Narang

Company Secretary

Place: Gurugram  
Date: 16 May, 2022







# Corporate Information

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## Board of Directors

**Mr. Naresh Talwar**

(Chairman)

**Mr. Umesh Talwar**

(Vice Chairman & Managing Director)

**Mr. Varun Talwar**

(Joint Managing Director)

**Mr. Vidur Talwar**

**Mr. Anuj Talwar**

(Joint Managing Director)

**Mr. Anil Kumar Mehra**

**Mr. Amit Burman**

**Mr. Navin Juneja**

**Ms. Priyanka Gulati**

**Mr. Deepak Jain**

**Mr. Ajay Kumar Vij**

**Mr. Tarun Singhal**

## Chief Financial Officer

**Mr. Manish Khanna**

## Company Secretary & Compliance Officer

**Mrs. Seema Narang**

## Main Bankers

- » HDFC Bank Limited
- » Axis Bank Limited
- » Federal Bank Limited
- » DBS Bank India Limited
- » Kotak Mahindra Bank Limited
- » Bajaj Finance Limited
- » YES Bank Limited

## Auditors

J. C. Bhalla & Co.,  
Chartered Accountants,  
B- 5, Sector-6, Noida 201301

## Registrar and Share Transfer Agent

KFin Technologies Limited,  
Karvy Selenium Tower B,  
Plot number 31 & 32,  
Financial District, Gachibowli,  
Hyderabad 500032

## Stock Exchanges where Shares are Listed

- » National Stock Exchange of India Limited (NSE)
- » BSE Limited (BSE)

## Corporate Identification Number

L29199HR1956PLC033107

## Website

[www.talbro.com](http://www.talbro.com)



CIN - L29199HR1956PLC033107

**Talbro's Automotive Components Limited**

14/1, Mathura Road, Faridabad 121003

Haryana (India)

Ph: +91 129 2251482