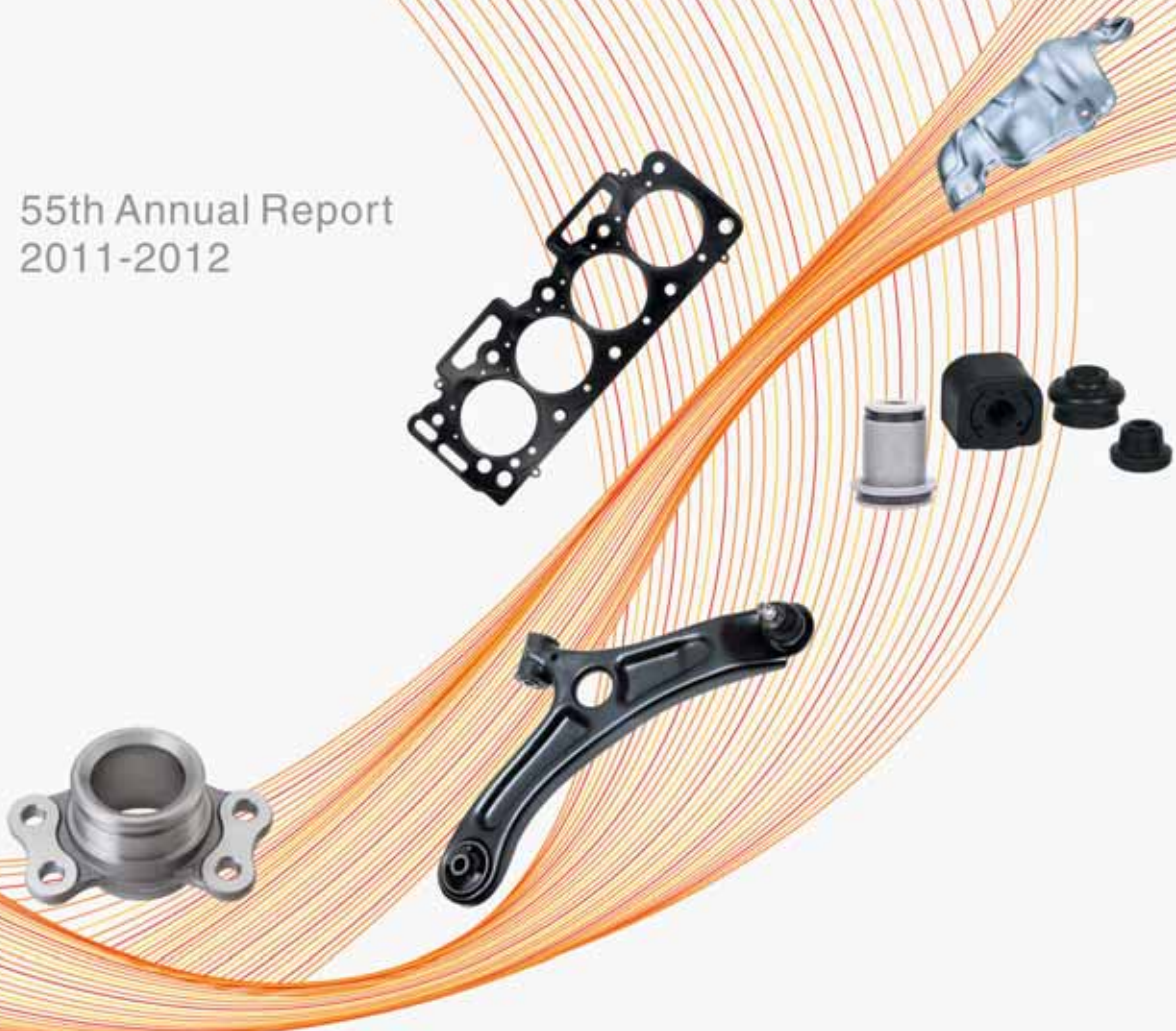


55th Annual Report  
2011-2012



# Evolution

The mark of a leader



Talbro's Automotive Components Ltd.  
Gaskets • Forgings • Sheet Metal & Rubber Components

# Talbro Automotive Components Limited

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## BOARD OF DIRECTORS

NARESH TALWAR (Chairman)  
UMESH TALWAR (Vice Chairman & Managing Director)  
VARUN TALWAR (Joint Managing Director)  
ANIL KUMAR MEHRA  
RAJIVE SAWHNEY  
V. MOHAN  
AMIT BURMAN  
BRIAN WILLIAMS  
NAVIN JUNEJA

## COMPANY SECRETARY

SEEMA NARANG

## MAIN BANKERS

STATE BANK OF INDIA  
STATE BANK OF PATIALA  
PUNJAB NATIONAL BANK

## AUDITORS

S.N. DHAWAN & CO.  
CHARTERED ACCOUNTANTS  
C-37, CONNAUGHT PLACE, NEW DELHI - 110 001

## REGISTERED OFFICE

14/1, DELHI MATHURA ROAD,  
FARIDABAD - 121 003 (HARYANA)

## HEAD OFFICE

212, OKHLA INDUSTRIAL ESTATE  
NEAR MODI FLOUR MILL, NEW DELHI - 110 020

## WORKS

### GASKET PLANT-I

14/1, DELHI MATHURA ROAD,  
FARIDABAD - 121 003 (HARYANA)

### GASKET PLANT-II

22-B, SIDCO INDUSTRIAL ESTATE  
AMBATTUR, CHENNAI - 600 098

### GASKET PLANT-III

PLOT NO. 68, F-II, MIDC,  
PIMPRI, PUNE - 411 018

### GASKET PLANT-IV

PLOT NO. B-177, PHASE-I  
ELDECO-SIDCUL INDUSTRIAL PARK,  
SITARGANJ, UTTARAKHAND-262405

## FORGING DIVISION

PLOT NO. 39 TO 46, SECTOR-6  
INDUSTRIAL GROWTH CENTRE  
BAWAL-123501, DISTT. REWARI (HARYANA)

## STAMPING & RUBBER DIVISION

14/1, DELHI MATHURA ROAD,  
FARIDABAD - 121 003 (HARYANA)

## IT DIVISION

28-29, ELECTRONIC CITY, SECTOR-18  
GURGAON - 122 016

## MATERIAL DIVISION

MANDKOLA ROAD, VILL. ATTA, SOHNA,  
GURGAON - 122 003

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**TALBROS AUTOMOTIVE COMPONENTS LIMITED**

Registered Office: 14/1, Delhi-Mathura Road  
Faridabad-121 003

**NOTICE**

**NOTICE** is hereby given that the 55th Annual General Meeting of the members of **Talbros Automotive Components Limited** will be held on Monday the 3rd day of the September 2012 at 10.30 a.m. at **Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad -121001 (Haryana)** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on paid-up Equity Share Capital for the financial year ended on March 31, 2012.
3. To appoint a Director in place of Mr. A. K. Mehra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajive Sawhney, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting i.e. for the financial year 2012-2013 on such remuneration to each firm as may be mutually agreed upon between the Board of Directors and the Auditors, plus service tax, out of pocket, travelling and living expenses etc. M/s. S.N. Dhawan & Co., Chartered Accountants, New Delhi, the retiring Auditors of the Company are eligible and offer themselves for re-appointment. M/s. R. Sundaraman & Co., Chartered Accountants, Chennai and M/s. Chandrakant G. Doshi & Co., Chartered Accountants, Pune also the retiring Auditors of the company's Chennai & Pune Branches respectively, are eligible and offer themselves for re-appointment.

**SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:  
**RESOLVED THAT** pursuant to the provisions of section 198, 269, 302, 309, 316 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule XIII to the Companies Act, 1956 and Article No. 52 of the Articles of Association of the Company and subject to the approval of Central Government if any required, besides approval from the Members of the Company at the forthcoming Annual General Meeting, Mr. Umesh Talwar be and is hereby re-appointed as Managing Director with the designation of Vice-Chairman & Managing Director of the Company for a period of five years w.e.f April 01, 2012, not liable to retire by rotation, on the followings terms and conditions and as given in the Agreement executed with him, on payment of monthly remuneration as detailed hereunder along with payment of commission at the end of the financial year with the condition that the total amount of remuneration payable to him with commission does not exceed 5% of the Net Profits of the Company, computed in accordance with the provision of section 349 of the

Companies Act, 1956 payable to him, during the period of his continuance in the office of Vice-Chairman and Managing Director of the Company.

**1. Remuneration:**

- (a) Basic Salary of ₹ 2,00,000/- per month.
- (b) House Rent Allowance @ 70% of the Basic Salary i.e. ₹ 1,40,000/- per month.
- (c) Perquisites such as Gas, Electricity, Water and Furnishing, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance etc. aggregating to a maximum of ₹ 10,000/- per month.

**2. In addition to the above Mr. Umesh Talwar, Vice Chairman & Managing Director shall be entitled to the following perquisites:**

- (a) Company's Contribution towards Provident Fund and Superannuation Fund as per rules of the Company.
- (b) Gratuity – As per rules of the Company.
- (c) Earned/Privilege Leaves - As per rules of the company. Leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
- (d) Car Provision of a Chauffeur driven car for the business purposes of the Company & personal use.
- (e) Telephone - Telephone facility at residence, personal long distance calls to be paid by him.
- (f) Such other benefits/amenities and other privileges as may from time to time be available to other executives of the Company.

**3. Other Benefits:**

- (i) Reimbursement of entertainment expenses actually and properly incurred in course of the business of the company.
- (ii) 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.

**4. Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay the above remuneration as minimum remuneration to the Vice Chairman & Managing Director.**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary including modifications as may be considered necessary, and to finalize and execute all such documents and writings as may be necessary or expedient.

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

Place : Gurgaon  
Date : May 29, 2012

**Seema Narang**  
Company Secretary

# Talbro Automotive Components Limited

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## NOTES:

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY STAMPED, COMPLETED AND SIGNED SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. THE PROXY FORM IS ENCLOSED HERewith.**

2) The Register of Members and Share Transfer Books will remain closed from August 27, 2012 to September 03, 2012 (both days inclusive) for payment of dividend on equity shares.

3) Consequent upon amendment in Section 205-A of the Companies Act, 1956 and introduction of Section 205-C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years, will be transferred to Investor Education and Protection Fund set up by Government of India and no payment shall be made in respect of any such claim by the fund.

Members who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2005 or any subsequent dividend payment(s) are requested to make their claim to the Company. Members who have so far not claimed the unpaid dividend for the year 2004-05 (Final) are being notified in this connection.

4. The dividend on the Equity Shares as recommended by the Board of Directors when declared at the Annual General Meeting will be paid to those shareholders whose names stand on the Register of Members of the Company as on September 03, 2012.

5. **Queries, if any, regarding accounts may please be sent to the Company Secretary at least 10 days before the date of the Annual General Meeting so as to enable the Company to keep the information ready.**

6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the Meeting and also at the Meeting.

7. Please bring your Attendance Slip along with Annual Report to the Meeting.

8. Members are requested to please send their requests for transfer, demat, issue of duplicate share certificates, transmission of their shares and correspondence relating to all other matters directly to Karvy Computershare Pvt. Ltd., Registrars and Share Transfer Agent of the Company at their address at Plot No. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad – 500 081.

9. Members holding shares in physical form are requested to notify any change in address, bank mandates, if any, to the Registrar and Transfer Agent by mail or to their respective depository participants if the shares are held in electronic form.

10. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the shares held by them.

11. Members/Proxies may also please note that only Tea/Coffee will be served and no Gift will be distributed at the venue of Annual General Meeting or elsewhere.

12. Children who are not members of the Company would not be allowed to attend the Annual General Meeting.

By Order of the Board  
For Talbro Automotive Components Limited

Place : Gurgaon  
Date : May 29, 2012

**Seema Narang**  
Company Secretary

## **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.**

### **Item No 6**

The Remuneration Committee and Board of Directors of the Company in its meeting held on February 13, 2012 discussed and approved the resolution for the re-appointment and payment of remuneration payable to Mr. Umesh Talwar, Vice-Chairman & Managing Director of the Company w.e.f April 01, 2012 for a period of five years as per section 269 read with section 316 of the Companies Act, 1956 and Article No. 52 of the Articles of Association of the Company and subject to the approval of the members of the Company in the forthcoming General Meeting.

The term of re-appointment & payment of remuneration as per details given in the respective proposed resolution is in accordance with the provisions of the Companies Act, 1956 and also within the permissible limit of section 198 read with section 349 and Schedule XIII to the Companies Act, 1956.

Pursuant to the provisions of section 302 of the Companies Act, 1956 members have already been informed about Board's decision for appointment and payment of remuneration vide letter dated February 27, 2012.

Mr. Umesh Talwar, aged 61 years, has done B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur. He has more than 35 years of varied experience in the Automotive Components and other Industries. Mr. Umesh Talwar is also a promoter director of QH Talbro Limited and Sunrise Medicare Private Limited. Under leadership of Mr. Umesh Talwar your Company has achieved various milestones including receiving of Quality System Certification ISO/TS 16949 and Certification ISO 14001 Environmental Management System.

Mr. Umesh Talwar is a member of CII, Haryana State Council and also a member of Executive Committee of Automotive Components Manufacturers Association of India (ACMA).

The Board considers that it would be in the interest of the Company to appoint Mr. Umesh Talwar as the Whole time Director of the Company.

Mr. Umesh Talwar himself and Mr. Naresh Talwar being related to him may be considered interested in the proposed resolutions.

The Directors recommend this resolution for the approval of shareholders.

By Order of the Board  
For Talbro Automotive Components Limited

Place : Gurgaon  
Date : May 29, 2012

**Seema Narang**  
Company Secretary

**Details of Directors seeking Reappointment at the forthcoming Annual General Meeting (pursuant to clause 49 of the Listing Agreement)**

Name of the Director	Mr. A.K. Mehra	Mr. Rajive Sawhney
Date of Birth	05.09.1944	02.10.1946
Date of Appointment	31.01.2004	26.08.2003
Qualifications	B.Com (Hons.) FCA	B.A, LL.B
Nature of expertise in specific Functional areas	37 years of experience in statutory audit, internal audit, management audit and special investigative audits. Corporate Advisor in various companies on financial management and corporate planning.	40 years of experience as a corporate law expert and is a Senior Advocate of the Supreme Court of India.
Directorship and Trustee ship in other Companies	<ol style="list-style-type: none"> <li>1. Living Media India Limited</li> <li>2. TV Today Network Limited</li> <li>3. T.V. Today Network (Business) Limited</li> <li>4. Radio Today Broadcasting Limited</li> <li>5. Integrated Databases India Limited</li> <li>6. Thomson Digital (India) Limited</li> <li>7. Delhi Golf Club Limited</li> <li>8. The all India Finance &amp; Commerce Private Limited</li> <li>9. The All India Investment Corporation Private Limited</li> <li>10. India Today Online Private Limited</li> <li>11. Automotive Exchange Private Limited</li> <li>12. Today Merchandise Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Win Medicare Limited</li> <li>2. Global Health Private Limited</li> <li>3. Dr. Naresh Trehan and Associates Health Services Private Limited</li> </ol>
Members of Committees of other Companies	N.A	N.A
No. of share held	Nil	Nil

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with Company's Registrars & Share Transfer Agents, Karvy Computershare Private Limited.

## DIRECTORS' REPORT

Dear Members,

The Board of Directors have pleasure in presenting the 55th Annual Report alongwith the audited accounts of the Company for the year ended March 31, 2012.

Your company achieved impressive top line growth during the Financial Year 2011-12 with a total revenue of ₹ 37,204.56 lacs being 15% higher than the previous year. The operating profits before interest and depreciation amounted to ₹ 4,152.25 lacs showing a growth of 12.9% over the previous year.

Profits after providing for taxation amounted to ₹ 1,062.57 lacs in comparison to ₹ 951.11 lacs in the previous year. The Financial Results are summarized below:-

### Financial Highlights:

(₹ in lacs)

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue from Operations (Gross)	37,204.56	32,341.20
Profit before Interest and Depreciation	4,152.25	3,679.05
Less : Interest	1,990.98	1,663.16
Depreciation	1,079.42	1,038.86
<b>Profit before Tax</b>	<b>1,081.85</b>	<b>977.03</b>
Less : Provision for Taxation	167.50	141.50
Provision for Deferred Tax	23.14	25.91
MAT Credit Entitlement	(167.50)	(141.50)
(Excess) / Short provision for tax for earlier years written back / provided	(3.86)	0.01
<b>Profit after Tax</b>	<b>1,062.57</b>	<b>951.11</b>
Add: Balance Brought forward from last year	2,011.39	1,282.46
<b>Profit available for appropriations</b>	<b>3,073.96</b>	<b>2,233.57</b>
<b>Appropriations:</b>		
Proposed Dividend	148.15	148.15
Tax on Dividend	24.03	24.03
Transfer to General Reserve	50.00	50.00
Balance carried forward	2,851.78	2,011.39
<b>Total</b>	<b>3,073.96</b>	<b>2,223.57</b>

### FINANCIAL REVIEW

During the year 2011-12 high rate of inflation, consistently moving up interest rates as well as fuel prices reflected adversely on the automobile demand. A slowing economy took some sheen off car sales which registered a growth of only 2% over the previous year. At the same time, the Sports Utility Vehicle (SUV) segment attracted most automobile makers and is expected to cash in on growing consumer demand.

Commercial vehicle sale which grew at 8% during 2011-12 to 8,09,000 units is expected to touch 16,00,000 units by 2016-17 at a compounded annual growth rate of 15%. This would be largely driven by rapid pace of urbanization. Small and light commercial vehicles will hold major chunk of this growth.

Two wheelers historically being the fastest growing segment witnessed only a moderate growth of 7% during 2011-12 over the previous year.

Tractor Sales after expanding at a compounded annual growth rate of 25% for 3 years, are losing steam. Research reports indicate that tractor industry may see decline in sales during 2012-13.

The Indian Engineering Industry appears poised for better access to Japanese and European markets. Your company also achieved significant growth in export particularly of forged parts. Export sales (FOB Value) during the year amounted to ₹ 6,092.26 lacs

showing a growth of 52.7% over the previous year mark of ₹ 3,989.96 lacs. Export incentives were significantly reduced due to change in government policy effective from Oct. 2011 resulting in lower profit margins on exports.

With the influx of Multi National companies in India, the competition is increasing and so is the requirement for technological up gradation. Your company is keeping pace with latest technologies and continuing to maintain its leadership position in domestic market.

### DIVIDEND

Your Directors are pleased to recommend 12% dividend for the year 2011-12 at par with the dividend declared last year. This would amount to ₹ 1.20 per share, aggregating to ₹ 172.18 lacs (including tax on dividend) on the paid up share capital of the company.

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

The Company shall transfer the unclaimed dividends for the year 2004-05 to Investor Education and Protection Fund on or before September 03, 2012 as being unpaid for a period of seven years in compliance with the provisions of Section 205C of the Companies Act, 1956.

The shareholders who have not encashed dividend warrant for the financial year 2004-05 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is specifically intimating those members who have so far not claimed the unpaid dividend for these years.

#### **FIXED DEPOSIT**

The Fixed Deposit Scheme of the Company continued during the year. Deposits accepted from the public amounted to ₹ 1,652.17 lacs on March 31, 2012. Your Company has duly complied with the "Residuary Non-Banking Companies (Reserve Bank) Directions, 1987" issued by the Reserve Bank of India.

Out of these Deposits 38 fixed deposits aggregating to ₹ 14.57 lacs matured for payment, but were neither claimed nor renewed by the depositors.

#### **NEW INITIATIVES**

Your company strives to be the forefront player and maintain its leadership position in the Indian Gasket Industry aimed at developing new products to meet the emerging needs of its customers. It continued to build on its in-house capabilities and work with business partners to ensure cost competitiveness and adoption of new techniques. During the year Non-asbestos materials for gaskets were successfully developed at the Sohna Plant replacing old Asbestos material.

At the Forging Division, your company contributed equity capital in the Caparo Power Pvt. Ltd., so as to be able to obtain gas based power supply at comparatively economical cost per unit. This will add to forging business's profitability.

#### **NEW BUSINESS**

Your company signed a Joint Venture Agreement during the year with Sistemi Sospensioni S.p.A Italy, a Fiat Group Company and contributed equity on 50:50 basis for setting up a new venture under the name Magneti Marelli Talbros Chassis Systems Pvt. Ltd., to manufacture Control Arms, Knuckles, Cross Members, Hubs, Spindles etc. for supply as Tier I supplier to OEMs.

Existing production equipments being used for manufacturing of Sheet Arms at the Company's Sheet Metal Division have been transferred to the Joint Venture Company.

The Joint Venture Company started its operations from April 01, 2012 at Faridabad.

#### **BOARD OF DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. A.K. Mehra and Mr. Rajive Sawhney, directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The details of Mr. A.K. Mehra and Mr. Rajive Sawhney are given elsewhere in the Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to sub section (2AA) of Section 217 of the Companies Act, 1956, your Directors state and confirm

- that in the preparation of annual accounts, all the applicable accounting standards have been followed and there has not been any material departure from them.
- that such accounting policies were selected and applied consistently and such judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review;

- that proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- that the annual accounts for the financial year under reference have been prepared on a 'going concern' basis.

#### **CORPORATE GOVERNANCE**

Your company is committed to benchmarking itself with other corporates providing good Corporate Governance and disclosure practices.

The essence of Corporate Governance lies in adoption of good management practices, compliance with different statutes and adherence to ethical standards so as to take the business forward and maximize stake holders' values. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization i.e. Board of Directors, Senior Management team and middle management employees.

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled "Corporate Governance" has been included in this Annual Report alongwith a Certificate from the Auditors of the Company and a Certificate from the Vice Chairman & Managing Director and Chief Finance Officer.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed chapter on "Management Discussion and Analysis" (MDA) pursuant to Clause 49 of the Listing Agreement is annexed to the Annual Report and forms integral part of this Report.

#### **AUDITORS**

M/s. S.N. Dhawan & Co., Chartered Accountants and Statutory Auditors of the company, M/s. R. Sundaraman & Co. Chartered Accountants & Auditors for the Chennai Plant and M/s. Chandrakant G. Doshi & Co., Chartered Accountants & Auditors for the Pune Plant hold office till the conclusion of the forthcoming Annual General Meeting and being eligible for re-appointment, have confirmed that their re-appointment if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. S.N. Dhawan & Co. as Statutory Auditors of the company and M/s. R. Sundaraman & Co. as auditors for the Chennai Plant and M/s. Chandrakant G. Doshi & Co., as auditors for the Pune Plant of the Company.

The Auditor's observations and the relevant notes on the accounts are self-explanatory and therefore, do not call for further comments.

#### **JOINT VENTURE COMPANY**

As per the Accounting Standard (AS 27), "Financial Reporting of interests in Joint Ventures" the Consolidated Financial Statements comprise of the operating results of your company and 40% share in the operating results of the Joint Venture company, Nippon Leakless Talbros Pvt. Ltd. Consolidated Revenue from Operations (Gross sales) grew at 16.08% to ₹ 40,659.42 lacs as compared to ₹ 35,027.02 lacs in the previous year.

The consolidated net profit after tax for the year has been ₹ 1,437.89 lacs being 14.04% higher than the previous year figure of ₹ 1,260.87 lacs.

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

Information pursuant to sub-section 1(e) of Section 217 of the





- Development of Non Asbestos Grade materials – a step towards contribution to green and safe environment.
- Development of test equipments for MLS and Steel Gaskets.
- Introduction of Finite Element Analysis for gasket design.

#### ii) Forging Division

- Continuous upgradation of technical capabilities with the help of our technical partner and as per the specification required by the customers.

#### iii) Rubber and Stamping Division:

- New progressive stamping line added to improve the production and capacity.
- Injection Molding with Cold runner system to reduce the wastage was installed.

#### (b) Benefits derived as a result of the above efforts:

##### (i) Gasket Division

- Continuous up gradation of technical capabilities to global standards with the help of technical partners helps in maintaining competitiveness.
- Up-gradation of manufacturing technology & processes to meet global standards of quality & productivity and eventually reduce the cost of production.
- Reduction in Product Development time and improved productivity

##### (ii) Forging Division & Rubber and Stamping Division

- Reduction in Product Development time and improved productivity.

#### c. Foreign Exchange Earnings & Outgo

- a) Activities relating to exports and initiatives taken to increase exports:

The Company participated in overseas Automotive Trade Fairs to display its products and to tap new overseas customers.

- b) Total foreign Exchange used and earned

Earning - ₹ 6,092.26 Lacs  
Outgo - ₹ 5,722.55 Lacs

#### Particulars as per Form A (Applicable for Forging Division only)

	Current Year	Previous Year
	₹ In Lacs	₹ In Lacs
Power & Fuel Consumption		
1. Electricity		
(a) Purchased from Caparo Power Ltd.		
Unit (In Lacs)	13.67	Nil
Total Amount (In lacs)	103.56	Nil
Rate ₹/Unit	7.58	Nil
(b) Own Generation		
Through Captive Power Plant (HFO based)		
Furnace Oil ₹ / litre	36.58	26.46
Unit (KWH in lacs)	98.19	112.98
Total amount (₹ in lacs)	1,013.71	845.62
Cost ₹/Unit	10.32	7.48

For and on behalf of the Board

**VARUN TALWAR**  
Joint Managing  
Director

**UMESH TALWAR**  
Vice Chairman &  
Managing Director

Place : Gurgaon  
Date : May 29, 2012

#### ANNEXURE - II

#### A STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012.

Employed throughout the year and were in receipt of remuneration for the year in aggregate not less than ₹ 60,00,000 per annum or ₹ 5,00,000 per month if employed part of the year.

Name	Designation & Nature of Duties	Remuneration (In ₹)	Nature of Employment whether Contractual or otherwise	Qualification	Experience (in years)	Date of Commencement	Age (Year)	Particulars of last Employment
Mr. K. Sairam*	Group COO Overall Operations & Management	58,20,633	otherwise	BE, PGDBM (MBA)	37	05.04.2001	61	Associate Vice President Goetze India Limited
Mr. Vinay Upadhyay	Group COO Overall Operations & Management	22,35,630	otherwise	BE, Executive Management Programme	28	05.12.2011	53	COO, Avtec Limited

#### Note:

\* Mr. K. Sairam superannuated on December 31, 2011.

For and on behalf of the Board

Place : Gurgaon  
Date : May 29, 2012

**VARUN TALWAR**  
Joint Managing  
Director

**UMESH TALWAR**  
Vice Chairman &  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A part of the Directors' Report)

The landscape of the Automobile Industry has dramatically changed over the years. United States and Europe being the major manufacturer of Automobiles at one point of time have given way to China, India, Japan and South Korea. Even after the economic melt down in 2009, China and India saw significant growth in the domestic Automobile markets while Europe, UK and USA Automobile markets declined.

Some of the Highlights of the company's operations during the year on a consolidated basis are:

- The Consolidated Revenue from Operations (Gross) went up by 16.08.% from ₹ 35,027.02 lacs in the previous year to ₹ 40,659.42 lacs.
- Consolidated earning before Interest, Depreciation and Taxes (EBIDTA) went up from ₹ 4,141.42 lacs during 2010-11 to ₹ 4,665.12 lacs in the year 2011-12 registering a growth of about 12.65%.
- The consolidated net profits after tax jumped by 14.04% to reach at ₹ 1,437.89 lacs as against ₹ 1,260.87 lacs last year.

### INDUSTRIAL STRUCTURE AND DEVELOPMENT

Indian Automobile Industry is consistently growing supported by increase in domestic demand and availability of skilled manpower at a cost comparatively lower than developed countries. It is evident beyond doubt that investment in new technologies, manufacturing facilities and skills development will be in that part of the world where large population driven markets have developed and more and more highly competitive goods and services will emanate from such locations, like India.

### OPPORTUNITIES AND THREATS

#### Opportunities:

- a) High priority given to infrastructure development, specially high ways and internal roads will provide necessary impetus for the growth of Auto Industry.
- b) Increasing young middle class population will add to the demand for two wheelers & passenger cars.
- c) Introduction of about 10 new vehicles in MUV/SUV category recently in different price ranges is expected to perk up sales.
- d) Availability of CNG in more and more cities/towns will lead to affordability of vehicles.
- e) Availability of technically qualified and skilled workforce at comparatively lower cost continues to be an attraction to global vehicle manufacturers to India for their global requirements.
- f) Introduction of smaller commercial vehicles will result in higher number of vehicles on road.

#### Threats:

- a) Steep increase in fuel prices may have dampening effect on the rising demand for vehicles.
- b) Increasing interest rates are making vehicle finance expensive & may result in deferment of demands by certain sections of society.
- c) Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry.
- d) Introduction of rapid mass transport systems in metro cities may adversely affect the domestic passenger vehicle demand.
- e) Increasing number of luxury cars of imported brands may not add to the business of local industry because of high import content in these vehicles.

### CURRENT YEAR OUTLOOK

Indian automobile industry may not experience the same growth experienced in last two years. High inflation and interest costs have reduced disposal incomes in the hands of different sections of society. Unprecedented exchange fluctuations, shake up of European and US economies have adversely affected industrial outlook and general business sentiments.

India being largely agriculture based country, the earnings of farmer and other agriculture related communities also affect automobile demand particularly in Tractors and Two Wheelers. Demand in tractors has already started showing negative growth. All possible efforts need to be made to retain the share of business and align production with demands from different sections/segments.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has institutionalized proper and adequate internal control systems to ensure that company's assets are safeguarded and protected and all transactions are authorized, recorded and reported correctly. A well defined program of internal audits and management reviews commensurate with the size and nature of the business supplement the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose.

The Company in addition to employing qualified and experience professionals has an Audit Committee comprising of Independent, Non-Executive and professionally qualified Directors which interacts with the Statutory Auditors and Internal Auditors, wherever required. The Committee mainly deals with accounting matters, financial reporting and internal controls. During the year under review, the Committee met 4 times. The company has continued its efforts to align all its processes and controls with the best practices in the industry.

### FINANCIAL AND OPERATIONAL PERFORMANCE

During the financial year 2011-12, your company achieved total revenue from operations of ₹ 37,204.56 lacs being 15% higher than the previous year figure of ₹ 32,341.20 lacs on stand-alone basis. Earning before Interest, Depreciation, Taxes and Amortization (EBIDTA) registered a growth of 12.9% over the previous year and reached to ₹ 4,152.25 lacs as against ₹ 3,679.05 lacs in the previous year.

A summary of the financial figures for the year are given in the Directors' Report.

### HEALTH, SAFETY, SECURITY ENVIRONMENT

Your company is concerned about the occupational health and safety of its workers and staff and periodic health check-up camps are organized. Regular training is imparted at all levels. Company's main plant at Faridabad is ISO 14001 and OHSAS 18001 certified for Environmental Health & Safety issues.

### HUMAN RESOURCES / INDUSTRIAL RELATIONS

It is a matter of pride that your company is consistently maintaining highly cordial employer-employee relations and the management has been successful in keeping the employees motivated and committed towards achievement of company goals. The company follows different programs for the development of skills among employees at different levels. Employees have also contributed significantly towards various cost saving initiatives in different areas.

## CORPORATE GOVERNANCE REPORT

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

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Board believes that Good Governance is voluntary and self-disciplining with the strongest impetus coming from Directors and the Management itself and ultimately leads to enhancement of long term value for all stakeholders. The Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability. There is more widespread understanding and acceptance that good corporate governance ultimately leads to better performance, increased investor confidence and higher value creation.

### 2. BOARD OF DIRECTORS

#### Composition

The Company has an appropriate mix of Executive, Non-

Executives and Independent Directors on the Board for the effective management of the Company. As on March 31, 2012 the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreement of the Stock Exchanges.

The Board comprises of 9 Directors – 2 Executive Directors and 7 Non-Executive Directors, out of which 5 Directors are Independent.

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.

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 clause 49).

The necessary disclosures regarding other directorships and committee positions have been made by the Directors.

The table below sets out the names of directors, status and number of directorship held in other companies.

Name of the Directors	Category	Number of Committee* Memberships and Chairmanship in all Companies including Talbros Automotive Components Limited (As on March 31, 2012)		
		Other Directorship#	Committee Memberships	Committee Chairmanship
Mr. Naresh Talwar, Chairman	Promoter, Non-executive	2	2	1
Mr. Umesh Talwar, Vice Chairman and Managing Director	Promoter, Executive	2	-	-
Mr. Varun Talwar, Joint Managing Director	Executive	-	-	-
Mr. Navin Juneja	Non Executive	1	-	-
Mr. Anil Kumar Mehra	Independent	8	2	-
Mr. Rajive Sawhney	Independent	1	2	-
Mr. V. Mohan	Independent	5	2	1
Mr. Amit Burman	Independent	7	3	-
Mr. Brian Williams	Independent	-	-	-

**Note:** \* The committees considered for the purpose are those prescribed under Clause 49(1)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Investor Grievance Committee of Indian Public Limited Companies.

# Other Directorships exclude Directorship in Foreign Company, Private Limited Companies and Companies under Section 25 of the Companies Act.

#### Attendance in Meetings

The 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	3	Yes
Mr. Varun Talwar, Joint Managing Director	Executive	4	Yes
Mr. Navin Juneja	Non Executive	4	Yes
Mr. Anil Kumar Mehra	Independent	4	No
Mr. Rajive Sawhney	Independent	4	No
Mr. V. Mohan	Independent	4	Yes
Mr. Amit Burman	Independent	3	No
Mr. Brian Williams	Independent	1	No

During the year ended March 31, 2012 four meetings of the Board of Directors were held on the following dates:

(i) May 26, 2011 (ii) August 10, 2011 (iii) November 14, 2011 (iv) February 13, 2012

The Annual General Meeting (AGM) was held on September 07, 2011.

## Retiring Directors

In accordance with the provisions of the Companies Act, 1956 and Article 56 of the Articles of Association of the Company, Mr. A.K. Mehra and Mr. Rajive Sawhney, directors of the Company, shall be retiring by rotation in the forthcoming Annual General Meeting of the Company and being eligible offer themselves for the re-appointment.

Mr. A.K. Mehra, aged 67 years, is a Bachelor in Commerce (Hons.) from Sri Ram College of Commerce, Delhi University. Mr. A.K. Mehra is Fellow Member of the Institute of Chartered Accountants of England and Wales and the Institute of Chartered Accountants of India. He has over 37 years of experience in statutory audit, internal audit, management audit and special investigative audits. Mr. A.K. Mehra has been advising various companies on financial management and corporate planning.

Presently Mr. A.K. Mehra is serving as Managing Director of Living Media India Limited and also holds directorships in companies inter-alia TV Today Network Limited, Integrated Databases India Limited and Radio Today Broadcasting Limited etc.

Mr. Rajive Sawhney, aged 65 years is a Bachelor in Arts from St. Stephen College, Delhi and an LLB from the Delhi University. He has more than 40 years of experience as a corporate law expert and is a Senior Advocate of the Supreme Court of India. Mr. Rajive Sawhney holds directorships in companies inter alia Win Medicare Limited, Global Health Private Limited and Dr. Naresh Trehan and Associates Health Services Private Limited etc.

None of the retiring directors is holding any shares/ convertible instruments of the Company.

## Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company, which is also available on the website of the Company [www.talbro.com](http://www.talbro.com). All Board members and senior management, that includes company executives who report directly to the Chairman and executive directors, have affirmed their compliance with the said Code. A declaration signed by Mr. Umesh Talwar, Vice Chairman and Managing Director, to this effect is provided elsewhere in the Annual Report.

## 3. COMMITTEES OF THE BOARD

### (i) Audit Committee

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of section 292A of the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.

The Company has a multi disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 07, 2011.

#### The Audit Committee is responsible for:

- (i) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.

- (ii) Evaluating the adequacy of internal controls and its effectiveness.
- (iii) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.
- (iv) Providing an avenue for effective communication between the Internal Auditors, the Statutory Auditors and the Board of Directors.

## Composition and Attendance

The Audit Committee comprises of 5 members all being non-executive directors, out of which 4 members are independent directors.

The Chairman of the Committee Mr. V. Mohan, an Independent Director, is a Chartered Accountant with rich and relevant experience and has financial background and knowledge. Chief Financial Officer, the Internal Auditor and Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as Secretary of the Committee.

Name of Director	No. of meetings attended
Mr. V. Mohan, Chairman	4
Mr. Naresh Talwar	4
Mr. A.K. Mehra	4
Mr. Rajive Sawhney	4
Mr. Amit Burman	3

During the year ended March 31, 2012, four meetings of the Audit Committee were held on the following dates:

- (i) May 26, 2011 (ii) August 10, 2011 (iii) November 14, 2011 (iv) February 13, 2012

### (ii) Remuneration Committee

Terms of Reference of the Directors Remuneration Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd and National Stock Exchange Limited that inter alia include determination of the Company's policy on specific remuneration packages for Directors.

## Composition and Attendance

The Remuneration Committee consists of three members all being Non-Executive Independent Directors i.e. Mr. A. K. Mehra, Mr. Rajive Sawhney and Mr. V. Mohan. The Chairman of the Committee is Mr. A. K. Mehra.

During the year one meeting of Remuneration Committee was held on February 13, 2012.

Name of Director	No. of meetings attended
Mr. A.K. Mehra, Chairman	1
Mr. Rajive Sawhney	1
Mr. V. Mohan	1

## Remuneration policy

The Remuneration policy of the Company is to ensure that executive directors of the Company are rewarded in a fair and responsible manner, for their individual contributions to

the success of the Company and are provided with appropriate incentives to encourage enhanced performance. The remuneration paid to the Executive Director is recommended by the Remuneration Committee and approved by the Board of Directors in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities as and when required.

Non-executive Independent Directors are paid sitting fees pursuant to Section 309(2) of the Companies Act, 1956 for attending Board meetings and the Audit Committee meetings plus reimbursement of related actual travel and out of pocket expenses, if any.

### Remuneration of Directors

#### Executive Directors

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

	Mr. Umesh Talwar	Mr. Varun Talwar
	₹	₹
Basic Salary	24,00,000/-	20,40,000/-
Allowance & Perquisites	21,70,644/-	19,04,800/-
<b>Total</b>	<b>45,70,644/-</b>	<b>39,44,800/-</b>

Allowance & Perquisites include HRA, Employer's contribution to the Provident Fund, Superannuation fund and other Perquisites.

#### Other terms and conditions:

	Mr. Umesh Talwar	Mr. Varun Talwar
Term of Appointment	Five years, from 01.04.2007 to 31.03.2012	Five years, from 01.09.2008 to 31.08.2013
Performance link incentive, Stock Options, Severance Pay	Nil	Nil

#### Non Executive Directors

The Non-Executive Independent Directors are entitled for sitting fee of ₹ 20,000/- for every Board Meeting of the Board and ₹ 10,000/- for every Audit Committee Meeting. They are also reimbursed all 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.

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

#### (iii) Shareholders Grievance Committee

Terms of Reference of the Investors Grievance Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Limited and National Stock Exchange Limited and the relevant clauses of the Articles of Association of the Company that inter alia include looking into the Investors complaints on transfer of shares, non receipt of Annual Accounts and non receipt of dividends declared etc. and the redressal thereof.

#### Composition and Attendance

The Shareholders Grievance Committee comprises of 4 non-executive directors, of which 3 are independent directors. The Chairman of the Committee is Mr. Naresh Talwar.

Name of Director	No. of meetings attended
Mr. Naresh Talwar, Chairman	4
Mr. V. Mohan	4
Mr. A.K. Mehra	4
Mr. Rajive Sawhney	4

During the year ended March 31, 2012, four meetings of the Investors Grievance Committee were held on the following dates:

(i) May 26, 2011 (ii) August 10, 2011 (iii) November 14, 2011 (iv) February 13, 2012

#### 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 Regulations and the Listing Agreements with the Stock Exchanges in India. The Company has provided an exclusive email ID i.e. memberservice@talbros.com, for the members to send their queries/grievances to the concerned department so that the queries/ complaints are addressed.

#### Status of Queries/Complaints received and resolved during the year

Number of Shareholders' Queries/ Complaints received during the period 01.04.2011 to 31.03.2012	24
Number of Shareholders Complaints resolved to the satisfaction of Shareholders	24
Number of Shareholders Complaints pending as on 31.03.2012	Nil

#### (iv) Share Transfer Committee

Terms of Reference of the Share Transfer Committee are as per the guidelines set out in the listing agreement with the Stock Exchanges that inter alia include approval and registration of transfers and/or transmission of equity shares of the Company and do all other acts and deeds as may be necessary or incidental to the above.

#### Composition and Attendance

Name of Director	No. of meetings attended
Mr. Umesh Talwar, Chairman	30
Mr. Naresh Talwar	13
Mrs. Seema Narang	30

The Committee holds its meeting atleast once in every fortnight to consider all matters concerning transfer and transmission of shares. During the year ended March 31, 2012, thirty meetings of the Share Transfer Committee were held.

## 4. GENERAL BODY MEETINGS

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

Year	Day	Date	Timing	Place
2009	Tuesday	September 29, 2009	10.30 A.M.	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana
2010	Wednesday	July 21, 2010	10.30 A.M.	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana
2011	Wednesday	September 07, 2011	10.30 A.M.	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana

The details of special resolutions passed in the previous three Annual General Meetings are hereunder:

Year	Special Resolution passed
2009	None
2010	None
2011	None

During the year under review one Ordinary Resolution was passed through Postal Ballot on January 06, 2012 in respect of sale and transfer of the Stamping Business of the Company on a going concern basis to the Joint Venture Company. Mr. Barinder Singh Maur, FCS, was appointed as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

## 5. DISCLOSURES

### Related Party Transactions

There has been no materially significant related party transaction with the Company's promoters, directors, management or their relatives, which may have a potential conflict with the interests of the Company. Members may refer to the notes to the financial statements for details of other related party transactions.

### Compliance with Rules and Regulations

Your Company has complied with the all requirements of the concerned regulatory authorities on capital markets. During the year under review, there have been no instances of non-compliance by the Company on any matters related to the capital markets nor has any penalty or stricture been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreements entered into with the stock exchanges.

### Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there has been no deviation in the accounting treatment during the year.

### Risk Management

The Board of Directors constituted a Risk Assessment Committee for inter alia laying down and periodically reviewing risk assessment and minimization procedures. Mr. Vinay Upadhyay-Group COO, Mr. R.P. Grover, CFO and Mrs. Seema Narang, Company Secretary are members of the Committee.

### Management

The Management Discussion and Analysis Report is given separately and forms part of this Annual Report

### Shareholders- Disclosures Regarding appointment / re-appointment of Directors

The information as required under clause 49 (G) of the Listing agreement with respect to the appointment / re-appointment

of the directors forms part of the explanatory statement annexed with the Notice of the ensuing Annual General Meeting and the same is attached with this report.

### CEO/CFO certificate

The certificate from Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. R.P. Grover, Chief Financial Officer as placed before the Board in terms of Clause 49 (V) of the Listing Agreement is enclosed at the end of this Report.

## 6. MEANS OF COMMUNICATION

The Company's financial results are published in English daily and vernacular Hindi newspapers as under:

News Paper Name	Language
Business Standard / Financial Express	English
Business Standard / Jansatta	Hindi

Company's financial results are also available on the Company's website [www.talbros.com](http://www.talbros.com).

The financial results and all material information about the Company is promptly sent through facsimile and/or e-mail to the Stock Exchanges where the shares of the Company are listed

## 7. SHAREHOLDERS INFORMATION

### (i) 55th Annual General Meeting

The 55th Annual General Meeting will be held on September 03, 2012 at 10.30 A.M at Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad – 121001 (Haryana).

### (ii) Financial Year

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

### (iii) Book Closure Date

The date of book closure is from August 27, 2012 to September 03, 2012 (both days inclusive).

### Financial Reporting Calendar:

Unaudited Quarterly results for the quarters	Tentative date of Reporting
April – June, 2012	2nd week of August, 2012
July – September, 2012	2nd week of November, 2012
October – December, 2012	2nd week of February, 2013
January – March, 2013	4th week of May, 2013

### (iv) Dividend Payment Date

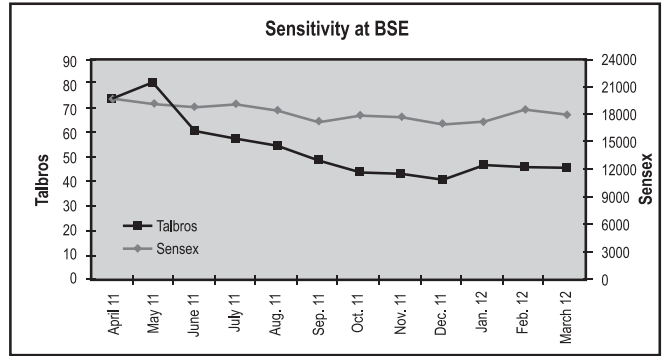
The Board has recommended a dividend of 12% on the paid up share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend if declared by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration.

**(v) Listing on Stock Exchanges**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd. The annual listing fee due to the Bombay Stock Exchange Ltd. and the National Stock Exchange Ltd. for the year 2012-2013 has been duly paid.

**(vi) Stock Code**

Bombay Stock Exchange Ltd. 505160  
 Phiroze Jeejeebhoy Towers  
 Dalal Street, Fort, Mumbai - 400 001  
 National Stock Exchange of India Ltd. TALBROAUTO  
 Exchange Plaza, Bandra Kurla Complex,  
 Bandra (East), Mumbai 400 051



**(vii) Market Price Data**

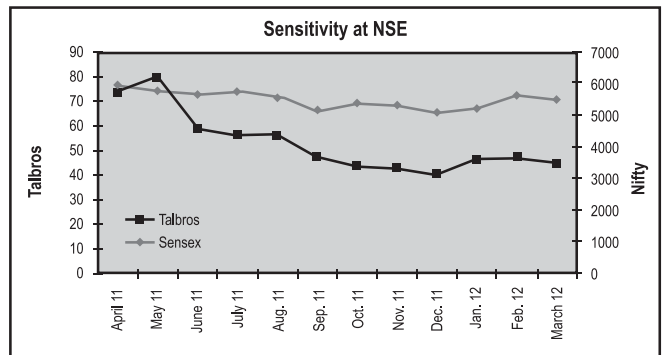
Month	Share Price at BSE		Share Price at NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2011	73.95	64.70	74.00	64.00
May 2011	80.40	52.00	80.25	54.00
June 2011	60.95	51.15	59.00	50.50
July 2011	57.75	51.65	56.35	51.60
August 2011	55.00	38.00	56.45	37.15
September 2011	48.95	38.15	47.50	37.55
October 2011	43.90	37.00	44.00	36.65
November 2011	43.35	36.05	43.00	36.00
December 2011	40.90	32.15	41.00	32.00
January 2012	46.85	34.30	46.50	34.10
February 2012	46.00	40.00	47.60	40.35
March 2012	45.60	36.65	45.00	37.55

**NSE NIFTY**

Month	Share Price		Nifty	
	High (₹)	Low (₹)	High	Low
April 2011	74.00	64.00	5,944.45	5,693.25
May 2011	80.25	54.00	5,775.25	5,328.70
June 2011	59.00	50.50	5,657.90	5,262.50
July 2011	56.35	51.60	5,740.40	5,475.65
August 2011	56.45	37.15	5,551.90	4,720.00
September 2011	47.50	37.55	5,169.25	4,758.85
October 2011	44.00	36.65	5,399.70	4,741.00
November 2011	43.00	36.00	5,326.45	4,693.10
December 2011	41.00	32.00	5,099.25	4,555.90
January 2012	46.50	34.10	5,217.00	4,588.05
February 2012	47.60	40.35	5,629.95	5,159.00
March 2012	45.00	37.55	5,499.40	5,135.95

**Performance of TALBROS Share price in comparison to: BSE SENSEX**

Month	Share Price		Sensex	
	High (₹)	Low (₹)	High	Low
April 2011	73.95	64.70	19,811.14	18,976.19
May 2011	80.40	52.00	19,253.87	17,786.13
June 2011	60.95	51.15	18,873.39	17,314.38
July 2011	57.75	51.65	19,131.70	18,131.86
August 2011	55.00	38.00	18,440.07	15,765.53
September 2011	48.95	38.15	17,211.80	15,801.01
October 2011	43.90	37.00	17,908.13	15,745.43
November 2011	43.35	36.05	17,702.26	15,478.69
December 2011	40.90	32.15	17,003.71	15,135.86
January 2012	46.85	34.30	17,258.97	15,358.02
February 2012	46.00	40.00	18,523.78	17,061.55
March 2012	45.60	36.65	18,040.69	16,920.61



**(viii) Registrar & Transfer Agents**

For Shares held in Physical as well as Electronic Mode  
 M/s Karvy Computershare Private Limited,  
 Unit: Talbros Automotive Components Limited,  
 Plot No.17-24, Vithal Rao Nagar,  
 Madhapur, Hyderabad - 500 081.  
 Tel: 040-23420815-825  
 Fax: 040-23420814  
 Email: ksreddy@karvy.com

# Talbro Automotive Components Limited

## (ix) Share Transfer System

Shares to be transferred physically may be submitted with the Company at its registered office or directly with the R&T Agent M/s Karvy Computershare Private Limited at the address mentioned above. The Company holds fortnightly Share Transfer Meetings in which all the shares received for transfer/transmission etc are transferred /dealt with.

## (x) Distribution of Shareholding as on March 31, 2012

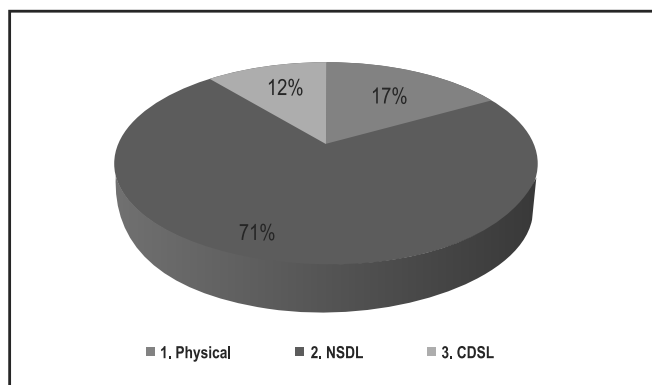
No. of Equity Shares		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	17,490	94.56	1,48,45,300	12.02
5001	10000	537	2.90	41,76,200	3.38
10001	20000	227	1.23	33,34,140	2.70
20001	30000	68	0.37	16,53,110	1.34
30001	40000	30	0.16	10,35,990	0.84
40001	50000	29	0.16	13,57,740	1.10
500001	100000	35	0.19	25,82,680	2.09
100001	Above	81	0.44	9,44,71,140	76.52
<b>Total</b>		<b>18,497</b>	<b>100.00</b>	<b>1,23,45,630</b>	<b>100.00</b>

## (xi) Dematerialization of Shares and Liquidity

Shares of the Company can be held and traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialized 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 dematerialized form in India.

**The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2012 is as follows:**

Category	No. of shareholders	No. of equity shares	% of Capital
Physical	4,608	21,38,993	17.33
NSDL	10,623	87,56,726	70.93
CDSL	3,266	14,49,911	11.74
<b>Total</b>	<b>18,497</b>	<b>1,23,45,630</b>	<b>100.00</b>



## (xii) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2012.

## (xiii) Plant Locations of the Company

The Company has four Gasket Manufacturing Facilities besides Forging plant, IT Division, Stamping & Rubber Division and one Material Division. The addresses are as given below:

Particulars	Address
Gasket Plant I, Stamping & Rubber Division and Registered Office	14/1, Delhi- Mathura Road, Faridabad –121003
Gasket Plant II	22-B, SIDCO Industrial Estate, Ambattur, Chennai-600098
Gasket Plant III	Plot No 68, F-II, MIDC, Pimpri, Pune – 411018
Gasket Plant IV	Plot No. B-177, Phase-I, Eldeco-Sidcul Industrial Park, Sitarganj, Uttrakhand-262405
Forging Division	Plot No.39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501 Distt. Rewari (Haryana)
IT Division	28-29, Electronic City, Sector-18, Gurgaon-122016
Material Division	Mandkola Road, Village Atta, Sohna-122103 Distt. Gurgaon (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- 4294189 / 4294182 / 4047694  
Fax: +91-129-2277240  
Email: seema\_narang@talbro.com  
memberservice@talbro.com

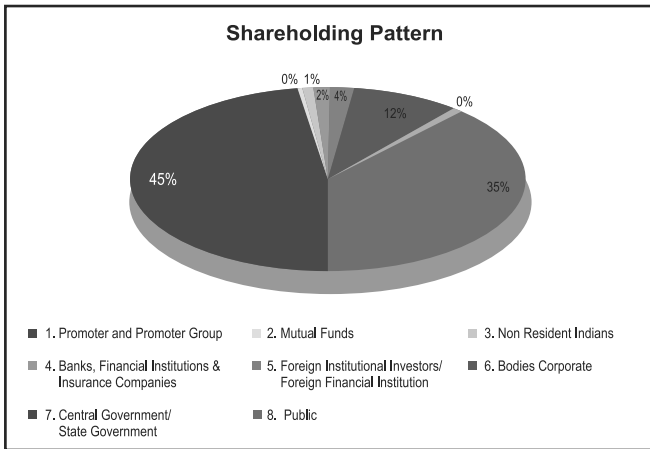
### For all matters relating to investor relations please contact:

Company Secretary & Compliance Officer  
Talbro Automotive Components Limited  
14/1, Delhi Mathura Road, Faridabad –121003  
Tel: +91-129- 4294189 / 4294182 / 4047694  
Fax: +91-129-2277240  
Email : seema\_narang@talbro.com  
memberservice@talbro.com

## (xv) Shareholding Pattern as on March 31, 2012

Category	No. of Shares	%
Promoters	56,10,187	45.44
Mutual Funds	-	-
Non Resident Indians	80,836	0.65
Banks, Financial Institutions & Insurance Companies	2,95,357	2.39
Foreign Institutional Investors/ Foreign Financial Institutions	5,21,089	4.22
Bodies Corporate	14,80,351	12.00
Central Government/ State Government	-	-
Public	43,57,810	35.30
<b>Total</b>	<b>1,23,45,630</b>	<b>100.00</b>





### Unclaimed Dividends

By virtue of Section 205A and 205C of the Companies Act, 1956, 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
2004-05 (Final)	05.08.2005	03.09.2012
2005-06	04.07.2006	02.08.2013
2006-07	26.09.2007	24.10.2014
2007-08	29.09.2008	01.11.2015
2008-09	29.09.2009	01.11.2016
2009-10	21.07.2010	24.08.2017
2010-11	07.09.2011	09.10.2018

Members who have not encashed their dividend warrants so far in respect of Final dividend 2004-05 are requested to have the same revalidated to encash and avoid transfer to IEPF as already requested by the Company vide its letter dated May 24, 2012 requested separately by the Company.

### Unclaimed Shares

As per the provisions of Clause 5A(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of the Company are as follows:

S. No.	Particulars	Number of Shareholders	Number of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year April 01, 2011	864	1,24,535
2.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	4	887
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	4	887
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2012	860	1,23,648

### 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.

### DECLARATION FOR CODE OF CONDUCT

As provided under clause 49 of the Listing agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd., the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2012.

**For Talbros Automotive Components Limited**

Place: Gurgaon  
Date : May 29, 2012

**Umesh Talwar**  
Vice Chairman & Managing Director

# Talbro Automotive Components Limited

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## CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Umesh Talwar, Vice Chairman & Managing Director and R.P. Grover, Chief Financial Officer, of Talbro Automotive Components Limited to the best of our knowledge and belief, certify that

1. We have reviewed the financial statements and cash flow statements for the year and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
3. We are responsible 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 have disclosed to the Auditors and Audit Committee, wherever applicable:
  - a) There were no deficiencies in the design or operation of internal controls which came to our notice;
  - b) There were no significant changes in internal control over financial reporting during the year;
  - c) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - d) 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.

Place: Gurgaon  
Date : May 29, 2012

**Umesh Talwar**  
Vice Chairman and Managing Director

**R. P. Grover**  
Chief Financial Officer

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## AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the members of  
**Talbro Automotive Components Limited**

We have examined the compliance of the conditions of Corporate Governance by Talbro Automotive Components Limited for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended March 31, 2012, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors' Grievance Committee.

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

For **S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Reg. No. 000050N

**(Suresh Seth)**  
Partner  
M. No. 10577

Place : Gurgaon  
Date : May 29, 2012

## AUDITORS' REPORT

To  
The Members of  
TALBROS AUTOMOTIVE COMPONENTS LIMITED

1. We have audited the attached Balance Sheet of Talbros Automotive Components Limited as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred in paragraph 3 above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - iii) The Branch Auditor's Reports have been furnished to us and have been appropriately dealt with while preparing our report.
  - iv) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
  - v) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - vi) On the basis of written representations received from the directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting

Policies and Notes to the Financial Statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Reg. No. 000050N

**(Suresh Seth)**  
Partner  
M. No.10577

Place: Gurgaon  
Date : May 29, 2012

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF TALBROS AUTOMOTIVE COMPONENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2012

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- ii) (a) As explained to us, the inventories of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals during the year, except for materials lying with third parties for which certificates confirming stocks held by them have been obtained.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) (a) The Company had granted inter corporate deposit to one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of

## Talbro's Automotive Components Limited

inter corporate deposit were ₹ 100 Lacs and ₹ Nil respectively.

- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such inter corporate deposit are not prima facie prejudicial to the interest of the Company.
- (c) In respect of inter corporate deposit granted, repayment of the principal amount is as stipulated and payment of interest to the Company has been regular.
- (d) There is no overdue amount of interest since inter corporate deposit along with interest has been fully recovered during the year.
- (e) According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in register maintained under Section 301 of the Companies Act, 1956. Therefore provisions of clause (iii) (f) & (g) of paragraph 4 of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, except for items stated to be of a specialized nature where no comparison is possible.
- vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposits accepted from the public. 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 on the Company in respect of the aforesaid deposits.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) 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 Section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were in arrears, as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the details of statutory dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (₹)	Forum where dispute is pending
Central Excise Act, 1944	Classification of paper gasket	1998-2002	14,17,866	The Assistant Commissioner, Faridabad
Central Sales Tax	Central Sales Tax	2010-2011	18,94,185	The Sales Tax Authorities Mumbai
Employee State Insurance Act, 1948	ESI Demand	1995-1999	8,01,587	Civil Judge, Gurgaon
Employee State Insurance Act, 1948	ESI Demand	2007-2009	33,27,524	Civil Judge, Gurgaon
Income Tax Act, 1961	Income Tax Demand	2004-2005	4,47,739	CIT-Appeal, Chandigarh, Camp at Gurgaon
Central Excise Act, 1944	Demand on assessable value	2006-2007	9,45,837	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2008-2009	28,93,658	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2010-2011	4,56,407	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2011-2012	11,30,455	The Deputy Commissioner, Faridabad

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (₹)	Forum where dispute is pending
Central Excise Act, 1944	Cenvat Credit disallowed	2009-10	32,50,898	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Cenvat Credit disallowed	2009-10	2,54,536	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Cenvat Credit disallowed	2010-11	2,41,518	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Cenvat Credit disallowed	2010-11	23,71,233	The Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Cenvat Credit disallowed	2011-12	12,20,047	The additional Commissioner, Gurgaon
Haryana Value Added Tax Act, 2003	Input tax disallowed	2006-07	2,73,548	The Deputy Commissioner, Gurgaon

- x) In our opinion, the Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- xv) The Company has given corporate guarantee for term borrowing by one of its Associate Company. According to the information and explanations given to us, we are of the opinion that terms and conditions thereof are not prima-facie prejudicial to the interest of the Company.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures. Therefore, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- xx) The Company has not raised any money by way of public issue during the year under review.
- xxi) To the best of our knowledge and belief and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Reg. No. 000050N

**(Suresh Seth)**  
Partner  
M. No.10577

Place: Gurgaon  
Date : May 29, 2012

# Talbro Automotive Components Limited

## BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012		As at March 31, 2011	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	2	12,34,56,300		12,34,56,300	
Reserves and Surplus	3	78,95,67,582	91,30,23,882	70,06,14,472	82,40,70,772
<b>Non-Current Liabilities</b>					
Long Term Borrowings	4	32,71,64,091		34,16,63,661	
Deferred Tax Liabilities (Net)	5	7,08,50,129		6,85,36,510	
Long Term Provisions	6	3,22,70,722	43,02,84,942	3,88,34,833	44,90,35,004
<b>Current Liabilities</b>					
Short Term Borrowings	7	67,81,47,884		58,78,71,240	
Trade Payables	8	75,19,55,056		72,25,33,921	
Other Current Liabilities	9	28,14,83,542		26,88,51,002	
Short Term Provisions	10	1,95,87,392	1,73,11,73,874	1,72,18,080	1,59,64,74,243
<b>TOTAL</b>			<b>3,07,44,82,698</b>		<b>2,86,95,80,019</b>
<b>ASSETS:</b>					
<b>Non-Current Assets</b>					
Fixed Assets	11				
– Tangible Assets		99,85,53,139		98,41,22,240	
– Intangible Assets		1,08,93,336		1,36,42,314	
– Capital Work in Progress		50,48,963		2,05,46,744	
– Intangible Assets under Development		11,44,701	1,01,56,40,139	–	1,01,83,11,299
Non Current Investments	12		7,26,91,210		5,36,20,670
Long Term Loans and Advances	13		8,66,31,338		6,60,96,340
Other Non Current Assets	14		11,90,476		–
<b>Current Assets</b>					
Inventories	15	93,57,66,146		81,97,01,456	
Trade Receivables	16	67,45,57,849		62,26,34,088	
Cash and Bank Balances	17	5,36,77,728		3,38,65,833	
Short Term Loans and Advances	18	22,89,97,776		24,68,37,989	
Other Current Assets	19	53,30,036	1,89,83,29,535	85,12,344	1,73,15,51,711
<b>TOTAL</b>			<b>3,07,44,82,698</b>		<b>2,86,95,80,019</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				

The accompanying Notes are an integral part of the Financial Statements

<b>(SEEMA NARANG)</b> Company Secretary	<b>(R.P. GROVER)</b> CFO	<b>(VARUN TALWAR)</b> Joint Managing Director	<b>(UMESH TALWAR)</b> Vice Chairman & Managing Director	AS PER OUR REPORT OF EVEN DATE For <b>S.N. DHAWAN &amp; CO.</b> Chartered Accountants Firm Regn. No.: 000050N
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Place : Gurgaon  
Dated : 29.05.2012

**(SURESH SETH)**  
Partner  
M. NO. F-10577

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

	Note No.	Year Ended March 31, 2012		Year Ended March 31, 2011	
		₹	₹	₹	₹
<b>INCOME:</b>					
Revenue from Operations (Gross)	20	3,72,04,55,771		3,23,41,20,043	
Less: Excise Duty		28,51,71,646	3,43,52,84,125	27,37,79,832	2,96,03,40,211
Other Income	21		3,74,39,461		4,90,92,351
<b>Total Revenue</b>			<b>3,47,27,23,586</b>		<b>3,00,94,32,562</b>
<b>EXPENSES</b>					
Cost of Raw Materials Consumed	22		1,94,77,64,505		1,68,73,88,924
Purchase of Stock -in-Trade			1,60,94,770		—
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23		(5,68,00,749)		(10,33,96,650)
Employee Benefits Expense	24		39,33,61,009		35,83,65,913
Finance Costs	25		19,90,98,450		16,63,16,082
Depreciation and Amortisation Expense	26		10,79,42,718		10,38,86,268
Other Expenses	27		75,70,78,137		69,91,68,728
<b>Total Expenses</b>			<b>3,36,45,38,840</b>		<b>2,91,17,29,265</b>
<b>Profit before Tax</b>			<b>10,81,84,746</b>		<b>9,77,03,297</b>
<b>Tax Expense:</b>					
Current Tax / MAT		1,67,50,000		1,41,50,000	
MAT Credit Entitlement		(1,67,50,000)		(1,41,50,000)	
Deferred Tax (Excess) / Short Provision for Tax for Earlier Years Written Back/Provided		23,13,619	19,27,641	25,91,575	25,92,774
<b>Profit for the Year</b>			<b>10,62,57,105</b>		<b>9,51,10,523</b>
<b>Earnings per Share (Face Value ₹ 10)</b>					
Basic and Diluted Earnings per Share (₹)	44		<b>8.61</b>		<b>7.70</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				

The accompanying Notes are an integral part of the Financial Statements

(SEEMA NARANG)  
Company Secretary

(R.P. GROVER)  
CFO

(VARUN TALWAR)  
Joint Managing  
Director

(UMESH TALWAR)  
Vice Chairman &  
Managing Director

AS PER OUR REPORT OF EVEN DATE  
For **S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Regn. No.: 000050N

Place : Gurgaon  
Dated : 29.05.2012

(SURESH SETH)  
Partner  
M. NO. F-10577

# Talbro Automotive Components Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12		2010-11	
	₹	₹	₹	₹
<b>A. Cash flows from Operating Activities</b>				
<b>a. Net Profit before tax</b>		10,81,84,746		9,77,03,297
Adjustments for:				
Depreciation/Amortisation	10,79,42,718		10,38,86,268	
Interest Expense	19,90,98,450		16,63,16,082	
Foreign Exchange Fluctuation	(16,52,999)		15,04,237	
Interest Income	(1,10,91,464)		(1,18,88,165)	
Dividend Income	(2,44,86,572)		(2,44,86,572)	
Loss /Profit on Sale of Assets	27,74,363		(11,35,638)	
Provision for doubtful receivables	24,16,718	27,50,01,214	-	23,41,96,212
<b>b. Operating profit before Working Capital changes</b>		<b>38,31,85,960</b>		<b>33,18,99,509</b>
Adjustments for:				
Current Assets, Loans and advances (Current & Non-Current)	(5,64,75,549)		(11,42,30,414)	
Inventories	(11,60,64,690)		(21,89,76,371)	
Current Liabilities (Current & Non-Current)	3,53,93,752	(13,71,46,487)	25,08,19,777	(8,23,87,008)
<b>c. Cash generated from Operations</b>		<b>24,60,39,473</b>		<b>24,95,12,501</b>
Direct Taxes (paid) / refund	(1,35,75,314)	(1,35,75,314)	(26,42,228)	(26,42,228)
<b>Net Cash from Operating Activities</b>		<b>23,24,64,159</b>		<b>24,68,70,273</b>
<b>B. Cash flows from Investing Activities</b>				
Proceeds from sale of Fixed Assets	46,63,497		76,50,058	
Movement in Inter-Corporate Deposits	85,50,000		(1,00,000)	
Interest Received	1,42,73,772		1,99,66,872	
Dividends Received	3,40,86,572		2,68,86,572	
Purchase of Fixed Assets	(11,51,44,233)		(9,59,58,343)	
Investments made	(1,90,70,540)		-	
<b>Net Cash flow from investing activities</b>		<b>(7,26,40,932)</b>		<b>(4,15,54,841)</b>
<b>C. Cash flows from Financing Activities</b>				
Interest Paid	(19,66,18,441)		(16,23,31,231)	
Movement in Other Bank Balances	16,71,899		(91,21,431)	
Proceeds from Borrowings	21,70,03,844		9,52,83,301	
Repayment of Borrowings	(14,32,20,122)		(12,05,14,370)	
Dividends Paid	(1,47,73,289)		(1,22,17,017)	
Dividend Tax Paid	(24,03,324)		(20,50,455)	
<b>Net Cash flow from Financing Activities</b>		<b>(13,83,39,433)</b>		<b>(21,09,51,203)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)</b>		<b>2,14,83,794</b>		<b>(56,35,771)</b>
<b>Cash and Cash Equivalents as at:</b>				
-the beginning of the year		<b>1,16,38,792</b>		<b>1,72,74,563</b>
-the end of the year		<b>3,31,22,586</b>		<b>1,16,38,792</b>

Note :- Previous year figures have been regrouped wherever necessary.

<b>(SEEMA NARANG)</b> Company Secretary	<b>(R.P. GROVER)</b> CFO	<b>(VARUN TALWAR)</b> Joint Managing Director	<b>(UMESH TALWAR)</b> Vice Chairman & Managing Director	AS PER OUR REPORT OF EVEN DATE For <b>S.N. DHAWAN &amp; CO.</b> Chartered Accountants Firm Regn. No.: 000050N
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Place : Gurgaon  
Dated : 29.05.2012

**(SURESH SETH)**  
Partner  
M. NO. F-10577



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## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Accounting Convention:

The financial statements are prepared on accrual basis, under the historical cost convention in accordance with applicable Accounting Principles in India, applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956.

#### 1.2 Investments:

Long term investments are stated at cost, less any provision for diminution other than temporary in nature.

#### 1.3 Inventory Valuation:

Raw Materials and Stores & spare parts are valued at lower of cost or net realizable value. Cost represents purchase price and other expenditure directly attributable to the acquisition and is determined on First in First Out (FIFO) basis. Tools are amortised over their expected useful life.

Finished Goods & Work-in-Progress are valued at lower of cost or net realizable value. Cost for this purpose includes materials, labour and appropriate allocation of overheads. Excise duty on stock lying with Company is added to the cost of finished goods inventory.

#### 1.4 Fixed Assets

##### Tangible

**1.4.1** Fixed Assets are stated at cost of acquisition or construction and include amounts added on revaluation, less accumulated depreciation.

##### Intangible

**1.4.2** Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard 26 (AS-26) "Intangible Assets". Amortization of the asset is being done over the period of the Agreement but not exceeding ten years.

**1.4.3** Expenditure on Major Software Products is written off over a period of three years except Forging Division where the Software Products are written off over a period of five years.

#### 1.5 Depreciation / Amortisation

Depreciation in Gasket Plants situated at Faridabad, Chennai, Pune and Sohna is charged on straight line method on assets comprising plant, machinery and equipments (except on items acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant which are depreciated on written down value method) and on written down value method on all other depreciable assets, as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

In IT Division, plant, machinery and equipments are depreciated on straight line method @ 14.12% while office and air conditioning equipments are depreciated on written down value method @ 35%. These rates have been arrived at on the basis of their useful life. Depreciation on all other assets is charged on written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in Sitarganj Gasket Plant, Forging Plant and Stamping Plant is charged on straight line method on all fixed assets other than vehicles as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on vehicles is provided on written down value method.

In respect of additions to/deductions from fixed assets during the year, depreciation is charged on pro-rata basis. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold Land is amortised over the period of the lease.

#### 1.6 Revenue Recognition:

**1.6.1** Revenue from Operations includes excise duty and is net of returns and trade discounts. Excise duty relating to sales is adjusted against Revenue from Operations. Excise duty on the increase/decrease in the stock of finished goods is recognized as part of the Other Expenses.

**1.6.2** Dividend is accounted for on accrual basis when the right to receive the dividend is established.

**1.6.3** Export incentives are accounted on accrual basis.

#### 1.7 Foreign Currency Transactions:

Transactions in foreign currency are accounted at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates, if any, on settlement are recognized in the Statement of Profit and Loss except in the case of long term monetary items relating to acquisition of fixed assets where such gains/losses are adjusted to the cost of fixed assets.

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Foreign currency monetary items are converted at the exchange rate prevailing as at the year end and resultant gain/loss is charged to Statement of Profit and Loss, except in case of long term monetary items representing liabilities relating to acquisition of fixed assets which are adjusted to the cost of the respective assets. In respect of transactions covered by foreign exchange forward contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Statement of Profit and Loss over the period of the contract.

### 1.8 Employee Benefits:

- i) Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the fund are due.
- iii) Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation made at the end of each financial year based on the projected unit cost method.
- iv) Long Term compensated absences are provided for based on actuarial valuation made at the end of each financial year based on the projected unit cost method.
- v) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

### 1.9 Borrowing Costs:

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

### 1.10 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at an amount equal to Present Value of future lease payments and corresponding amount is recognized as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Lease management fees, legal charges and other initial direct costs, if any, are capitalized.

### 1.11 Deferred Tax

Deferred tax is recognized, subject to the consideration of prudence on timing differences, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets in case of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 1.12 Impairment of Assets:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount.

### 1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision are recognized only when it is virtually certain that the reimbursements will be received.

#### Contingent Liability is disclosed in the case of

- a) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) A possible obligation, of which the probability of outflow of resources is remote.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets are neither recognized nor disclosed.

### 1.14 Financial Instruments

The Company uses derivatives and other instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments as and when required.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>2. SHARE CAPITAL</b>				
<b>Authorised Share Capital:</b>		20,00,00,000		20,00,00,000
2,00,00,000 Equity Shares of ₹ 10/- each (Previous year 2,00,00,000 Equity Shares of ₹ 10 each)		<u>20,00,00,000</u>		<u>20,00,00,000</u>
<b>Issued, Subscribed and Paid-up*:</b>				
1,23,45,630 Equity Shares of ₹ 10/- each fully paid up (Previous year 1,23,45,630 Equity Shares of ₹ 10 each fully paid up)		12,34,56,300		12,34,56,300
		<u>12,34,56,300</u>		<u>12,34,56,300</u>
<b>TOTAL</b>		<b><u>12,34,56,300</u></b>		<b><u>12,34,56,300</u></b>

**\*It includes :-**

- a) 5,24,349 Equity Shares allotted as fully paid up on 16.08.2007 to erstwhile shareholders of XO Stampings Ltd., pursuant to the sanction of the Hon'ble High Court of Punjab & Haryana, to a scheme of arrangement of the said Company with the Company under Section 391 read with Section 394 of the Companies Act, 1956 for consideration other than cash.
- b) 2,03,315 Equity Shares allotted as fully paid up on 16.08.2007 to shareholders of XO Infotech Ltd., pursuant to the sanction of the Hon'ble High Court of Punjab & Haryana, to a scheme of arrangement of the said Company with the Company under Section 391 read with Section 394 of the Companies Act, 1956 for consideration other than cash.

**2.1** 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 the approval of shareholders.

**2.2 Details of Shareholders holding more than 5% shares in the Company**

	%	No. of Shares as at 31.03.2012	%	No. of Shares as at 31.03.2011
a) QH Talbros Ltd.	12.92	15,94,681	11.94	14,74,391

**3. RESERVES & SURPLUS**

a) Capital Reserve		15,21,000		15,21,000
b) Securities Premium Account		46,78,30,274		46,78,30,274
c) Revaluation Reserve				
As per last Balance Sheet	53,01,708		53,97,167	
Less: Transferred to Statement of Profit and Loss	<u>85,915</u>	<u>52,15,793</u>	<u>95,460</u>	<u>53,01,708</u>
d) General Reserve				
As per last Balance Sheet	2,48,22,715		1,98,22,715	
Add : Transferred from Surplus balance in the Statement of Profit and Loss	<u>50,00,000</u>	<u>2,98,22,715</u>	<u>50,00,000</u>	<u>2,48,22,715</u>
e) Surplus balance in Statement of Profit and Loss				
As per last Balance Sheet	20,11,38,775		12,82,46,332	
Profit for the Year	10,62,57,105		9,51,10,523	
Less:- Allocations and Appropriations				
Proposed Dividend ₹ 1.20 per share (Previous Year ₹ 1.20 per share)	1,48,14,756		1,48,14,756	
Corporate Dividend Tax	24,03,324		24,03,324	
Transferred to General Reserve	<u>50,00,000</u>	<u>28,51,77,800</u>	<u>50,00,000</u>	<u>20,11,38,775</u>
<b>TOTAL</b>		<b><u>78,95,67,582</u></b>		<b><u>70,06,14,472</u></b>

# Talbros Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 4. LONG TERM BORROWINGS

	Non-Current portion		Current Maturities		Total	
	As at 31.03.2012 ₹	As at 31.03.2011 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Secured, unless otherwise stated</b>						
<b>a) Term Loans:</b>						
<b>From Banks</b>						
* State Bank of India	13,49,07,000	19,62,57,000	4,77,50,000	7,37,50,000	18,26,57,000	27,00,07,000
** ICICI Bank	-	-	-	2,62,31,417	-	2,62,31,417
# Yes Bank	1,42,85,714	8,33,333	1,15,47,619	1,00,00,000	2,58,33,333	1,08,33,333
## Punjab National Bank	8,45,45,771	76,38,810	71,00,000	12,00,000	9,16,45,771	88,38,810
Against Security of Movable Fixed Assets on Hire Purchase Basis	1,12,98,399	1,49,82,094	1,58,41,560	88,46,883	2,71,39,959	2,38,28,977
	<b>24,50,36,884</b>	<b>21,97,11,237</b>	<b>8,22,39,179</b>	<b>12,00,28,300</b>	<b>32,72,76,063</b>	<b>33,97,39,537</b>
<b>From Others</b>						
Against Security of Movable Fixed Assets on Hire Purchase Basis	17,60,987	96,70,204	81,81,874	83,94,106	99,42,861	1,80,64,310
<b>b) Deposits (Unsecured)</b>						
### Fixed Deposits from Public	8,03,66,220	11,22,82,220	6,03,87,000	2,43,79,000	14,07,53,220	13,66,61,220
<b>Total</b>	<b>32,71,64,091</b>	<b>34,16,63,661</b>	<b>15,08,08,053</b>	<b>15,28,01,406</b>	<b>47,79,72,144</b>	<b>49,44,65,067</b>
Amount disclosed under the head "Other Current Liabilities (Note no. 9 )			15,08,08,053	15,28,01,406		

#### Notes:-

- \* Term Loan from State Bank of India is secured by first exclusive charge over the fixed assets at the Sitarganj Plant including Land & Building. Further secured by personal guarantee of two directors and repayable with in 6 1/2 years (including moratorium of 1 3/4 years) in 20 quarterly instalments beginning from 01.04.2010.
- \*\* ECB Loan from ICICI Bank was secured by way of first charge on the specific fixed assets including movable fixed assets and movable properties financed out of this loan. Further, secured by second pari-passu charge over all the existing fixed assets of the Company situated at Faridabad, Chennai, Pune, Sohna & Bawal plants and personal guarantee of two directors. Fully repaid in October 2011.
- # Term loan from Yes Bank is secured by way of subservient charge on current assets and movable fixed assets and personal guarantee of three directors and repayable in 21 equal monthly instalments after a moratorium period of three months.
- ## Term Loan from Punjab National Bank is secured by way of first charge on the specific fixed assets financed out of this loan. Further, secured by second pari-passu charge on entire current assets, present & future and personal guarantee of two directors and repayable with in 5.5 years in 20 quarterly instalments beginning from 31.03.2012.
- ### Non current portion of Fixed deposits from public repayable during financial year 2013-14 and 2014-15 amounting to ₹ 5,05,24,220 and ₹ 2,98,42,000 respectively.

### 5. DEFERRED TAX LIABILITIES (NET)

The deferred tax assets / liabilities as at 31st March 2012 comprise of the following :

Particulars	Deferred Tax Assets/ (Liabilities) As at 31.03.2011 (₹)	Deferred Tax Assets/ (Liabilities) (₹)	(Charge)/Credit during the year As at 31.03.2012 (₹)
Depreciation	(7,86,82,412)	(17,68,808)	(8,04,51,220)
Disallowance u/s 43B	70,30,749	(13,28,886)	57,01,863
Provision for doubtful receivables / advances	31,15,153	7,84,075	38,99,228
<b>Deferred Tax Liabilities (Net)</b>	<b>(6,85,36,510)</b>	<b>(23,13,619)</b>	<b>(7,08,50,129)</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>6. LONG-TERM PROVISIONS</b>				
Provision for Leave Encashment		80,79,651		75,57,872
Provision for Gratuity		2,41,91,071		3,12,76,961
<b>TOTAL</b>		<b>3,22,70,722</b>		<b>3,88,34,833</b>
<b>7. SHORT-TERM BORROWINGS</b>				
<b>Secured, unless otherwise stated</b>				
<b>a) Working Capital Loans</b>				
* <b>From Banks</b>				
State Bank of India	20,52,29,562		20,01,60,313	
ICICI Bank	1,88,11,861		2,31,94,462	
State Bank of Patiala	16,97,30,145		12,56,82,391	
Punjab National Bank	19,69,87,281		14,82,58,469	
** Yes Bank	43,82,035		46,57,960	
DBS Bank Ltd. (Unsecured)	-	59,51,40,884	3,12,67,644	53,32,21,240
<b>From Others</b>				
*** Bajaj Finance Ltd. (Unsecured)		5,00,00,000		-
<b>b) Deposits (Unsecured)</b>				
Fixed Deposits from Public		2,30,07,000		4,46,50,000
Inter Corporate Deposit		1,00,00,000		1,00,00,000
<b>TOTAL</b>		<b>67,81,47,884</b>		<b>58,78,71,240</b>

**Notes:-**

\* Working Capital Loans from State Bank of India, ICICI Bank, State Bank of Patiala and Punjab National Bank are secured by way of first pari-passu charge of hypothecation on the Company's entire current assets, both present & future. Further, secured by second charge on all the fixed assets of the Company, both present & future, ranking pari-passu and personal guarantee of two directors of the Company.

\*\* Working Capital Loan from Yes Bank is secured by way of sub servient charge on current assets and movable fixed assets and is further secured by personal guarantee of three directors of the Company.

\*\*\* Working Capital Loan from Bajaj Finance Ltd. is secured by personal guarantee of two directors of the Company.

**8. TRADE PAYABLES**

Acceptances	33,56,21,090	31,23,39,074
Trade Payables (Refer Note no. 34)	41,63,33,966	41,01,94,847
<b>TOTAL</b>	<b>75,19,55,056</b>	<b>72,25,33,921</b>

# Talbro Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>9. OTHER CURRENT LIABILITIES</b>				
Current Maturities of Long Term Borrowings		15,08,08,054		15,28,01,406
Interest accrued but not due on Borrowings		1,28,40,649		1,05,94,392
Interest accrued and due on Borrowings		34,98,697		32,52,188
Liability towards Investors Education and Protection Fund*				
— Unclaimed Dividend	17,35,259		16,93,792	
— Unclaimed Matured Deposits	14,57,000		16,22,000	
— Interest accrued on Unclaimed Matured Deposits	2,14,657		2,27,414	
— Unclaimed Fractional Shares	3,087	34,10,003	3,087	35,46,293
Employee Related Payables		3,33,00,639		2,30,24,446
Statutory Liabilities		3,48,17,157		2,77,74,768
Advance Received from Customers		1,68,23,911		1,06,11,011
Others		2,59,84,432		3,72,46,498
<b>TOTAL</b>		<b>28,14,83,542</b>		<b>26,88,51,002</b>

\* There are no amounts due for payment to Investors Education and Protection Fund

### 10. SHORT-TERM PROVISIONS

Leave Encashment	23,69,312	-
Proposed Dividend	1,48,14,756	1,48,14,756
Corporate Dividend Tax	24,03,324	24,03,324
<b>TOTAL</b>	<b>1,95,87,392</b>	<b>1,72,18,080</b>

### 11. (i) Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost as at 01.04.2011	Additions during the year	Deductions during the year	Cost as at 31.03.2012	As at 01.04.2011	For the year	Deductions during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>(i) Tangible Assets</b>										
Land										
- Freehold*	3,45,76,335	-	-	3,45,76,335	-	-	-	-	3,45,76,335	3,45,76,335
- Leasehold	4,13,98,978	-	-	4,13,98,978	12,15,668	4,47,170	-	16,62,837	3,97,36,141	4,01,83,310
Buildings	31,71,44,300	79,61,406	-	32,51,05,706	7,85,83,074	1,04,12,436	-	8,89,95,510	23,61,10,197	23,85,61,226
Plant, Machinery & Equipments@	1,17,60,14,738	8,35,87,741	2,69,03,423	1,23,26,99,056	61,81,96,303	7,08,39,208	2,39,70,585	66,50,64,926	56,76,34,129	55,78,18,435
Motor Vehicles**	7,39,60,457	2,31,70,839	1,14,27,501	8,57,03,795	3,48,91,801	1,28,22,002	69,71,330	4,07,42,474	4,49,61,321	3,90,68,656
Furniture & Fixtures	3,42,39,948	17,56,030	9,39,258	3,50,56,719	2,04,28,647	20,06,796	9,38,903	2,14,96,540	1,35,60,179	1,38,11,303
Office Equipments	2,20,74,732	14,54,170	4,93,097	2,30,35,805	1,14,21,036	12,91,313	4,91,096	1,22,21,254	1,08,14,551	1,06,53,695
Electrical Installation	5,87,20,039	47,01,804	4,09,708	6,30,12,135	1,56,54,899	31,16,282	4,09,560	1,83,61,622	4,46,50,514	4,30,65,140
Air-Conditioning Plant	76,85,319	5,88,399	4,61,830	78,11,888	19,55,570	3,87,729	4,15,484	19,27,815	58,84,072	57,29,749
Tube-Well	10,51,423	-	-	10,51,423	3,97,032	28,691	-	4,25,723	6,25,700	6,54,391
<b>Total</b>	<b>1,76,68,66,269</b>	<b>12,32,20,389</b>	<b>4,06,34,817</b>	<b>1,84,94,51,840</b>	<b>78,27,44,030</b>	<b>10,13,51,628</b>	<b>3,31,96,957</b>	<b>85,08,98,701</b>	<b>99,85,53,139</b>	<b>98,41,22,240</b>
<b>Previous Year</b>	<b>1,67,22,24,045</b>	<b>11,68,51,916</b>	<b>2,22,09,692</b>	<b>1,76,68,66,269</b>	<b>70,40,90,761</b>	<b>9,43,48,540</b>	<b>1,56,95,272</b>	<b>78,27,44,029</b>	<b>98,41,22,240</b>	

\* Includes Land valuing ₹ 2,55,59,804 (Previous Year ₹ 2,55,59,804) for which the title is yet to be registered in the Company's name.

\*\* Includes cost of Vehicles ₹ 5,77,25,344 (Previous Year ₹ 4,15,60,938) acquired under hire purchase arrangement.

@ Includes cost of Machineries ₹ 3,91,64,513 (Previous Year ₹ 3,91,64,513) acquired under hire purchase arrangement.

### (ii) Intangible Assets

Computer Software	1,54,28,080	15,91,754	-	1,70,19,834	1,18,82,989	30,37,206	-	1,49,20,195	20,99,641	35,45,091
Technical Know-How	3,40,14,838	23,36,271	-	3,63,51,109	2,39,17,615	36,39,799	-	2,75,57,414	87,93,695	1,00,97,223
<b>Total</b>	<b>4,94,42,918</b>	<b>39,28,025</b>	<b>-</b>	<b>5,33,70,943</b>	<b>3,58,00,604</b>	<b>66,77,005</b>	<b>-</b>	<b>4,24,77,609</b>	<b>1,08,93,336</b>	<b>1,36,42,314</b>
<b>Previous Year</b>	<b>4,34,29,447</b>	<b>60,13,471</b>	<b>-</b>	<b>4,94,42,918</b>	<b>2,61,67,416</b>	<b>96,33,188</b>	<b>-</b>	<b>3,58,00,604</b>	<b>1,36,42,314</b>	
<b>(iii) Capital Work in Progress</b>										
Capital work in progress									50,48,963	2,05,46,744
<b>(iv) Intangible Assets Under Development</b>										
Computer Software									11,44,701	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012	As at March 31, 2011
	₹	₹
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Unquoted : At Cost</b>		
<b>a) Trade Investments:</b>		
<b>In Joint Ventures</b>		
— Nippon Leakless Talbros Pvt. Ltd 48,00,000 Equity Shares of ₹ 10/- each fully paid up	4,80,00,000	4,80,00,000
— Magneti Marelli Talbros Chassis Systems Pvt.Ltd. 5,000 Equity Shares of ₹ 10/- each fully paid up	50,000	-
Share Application money	50,00,000	-
<b>In Associate</b>		
<b>QH Talbros Limited</b>		
1,77,962 Equity Shares of ₹ 10/- each fully paid up	32,45,680	32,45,680
<b>Caparo Power Ltd.</b>		
11,47,134 Equity Shares of ₹ 10/- each fully paid up	1,14,71,340	-
2,54,920, 2% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	25,49,200	-
<b>b) Non Trade Investments :</b>		
<b>T &amp; T Motors Ltd.</b>		
83,333 Equity Shares of ₹ 10/- each fully paid	13,74,990	13,74,990
<b>In Mutual Funds</b>		
1,00,000 units of ₹10/- SBI Infrastructure Fund-1-Growth	10,00,000	10,00,000
<b>TOTAL</b>	<b>7,26,91,210</b>	<b>5,36,20,670</b>
<b>NOTES:</b>		
Book Value of Unquoted Investments	7,26,91,210	5,36,20,670
— Net Asset value of Mutual Funds	7,81,000	9,37,000
<b>13. LONG TERM LOANS AND ADVANCES</b>		
Unsecured, Considered good		
— Capital Advances	1,19,55,761	96,06,862
— Security deposits	69,08,947	73,31,639
— Advance Tax (Net of Provision)	32,82,004	44,23,213
— MAT Credit Entitlement (Refer note no. 45 )	6,14,84,626	4,47,34,626
— Inter Corporate Deposit	30,00,000	-
<b>TOTAL</b>	<b>8,66,31,338</b>	<b>6,60,96,340</b>
<b>14. OTHER NON-CURRENT ASSETS</b>		
Bank Deposits with more than 12 months maturity (Under Lien with Bank)	11,90,476	-
	<b>11,90,476</b>	<b>-</b>

# Talbro Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>15. INVENTORIES</b>				
(Taken, valued and certified by the Management at lower of cost or net realisable value unless otherwise stated)				
Raw Material (Includes in transit ₹ 6,99,37,268 Previous year ₹ 4,62,28,893)		32,96,71,088		28,36,13,654
Work in Progress		26,00,63,204		21,66,39,554
Finished Goods		17,92,75,276		16,77,67,032
Stock in Trade		18,68,855		-
Stores & Spares (Includes in transit ₹ 3,94,284 Previous year ₹ 4,03,859)		16,48,87,723		15,16,81,216
<b>TOTAL</b>		<b>93,57,66,146</b>		<b>81,97,01,456</b>
<b>15.1. WORK IN PROGRESS CLARIFICATION</b>				
Gaskets		16,28,82,304		9,11,07,022
Forgings		8,59,42,308		9,35,93,013
Sheet Metal & Rubber		1,12,38,592		3,19,39,519
<b>TOTAL</b>		<b>26,00,63,204</b>		<b>21,66,39,554</b>
<b>16. TRADE RECEIVABLES</b>				
<b>Unsecured :</b>				
Outstanding for a period exceeding six months				
— Considered Good	3,00,10,245		2,72,57,082	
— Considered Doubtful	61,66,074	3,61,76,319	57,49,356	3,30,06,438
Others : Considered Good		64,45,47,604		59,53,77,006
		68,07,23,923		62,83,83,444
Less : Provision for Doubtful Trade Receivables		61,66,074		57,49,356
<b>TOTAL</b>		<b>67,45,57,849</b>		<b>62,26,34,088</b>
<b>16.1 TRADE RECEIVABLES FROM PRIVATE COMPANIES IN WHICH DIRECTORS ARE INTERESTED</b>				
— Nippon Leakless Talbro Private Ltd.		30,15,540		43,08,206
<b>TOTAL</b>		<b>30,15,540</b>		<b>43,08,206</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>17. CASH AND BANK BALANCES</b>				
<b>(a) Cash and Cash Equivalents</b>				
— Balances with Banks		3,00,30,663		99,50,733
— Cash on hand		30,91,923		16,88,059
		<u>3,31,22,586</u>		<u>1,16,38,792</u>
<b>(b) Other Bank Balances</b>				
— Margin Money (pledged with banks)		97,15,431		1,31,20,178
— Bank Deposits		91,02,611		74,10,609
— Earmarked balances with Banks for Unclaimed Dividend		17,37,100		16,96,254
		<u>2,05,55,142</u>		<u>2,22,27,041</u>
<b>TOTAL</b>		<b><u>5,36,77,728</u></b>		<b><u>3,38,65,833</u></b>
<b>18. SHORT TERM LOANS AND ADVANCES</b>				
Unsecured Considered good, Unless otherwise stated				
Loans & Advances to Related Parties		1,26,32,232		1,07,53,357
Inter Corporate Deposits		6,20,00,000		7,35,50,000
Advances recoverable in kind or for value to be received				
— Considered Good	5,46,14,469		6,52,08,307	
— Considered Doubtful	57,50,000		37,50,000	
	<u>6,03,64,469</u>		<u>6,89,58,307</u>	
Less : Provision for Doubtful Advances	57,50,000	5,46,14,469	37,50,000	6,52,08,307
Balances with Central Excise & Other Authorities		9,85,82,260		9,57,35,332
Claim Receivables		11,68,815		15,90,993
<b>TOTAL</b>		<b><u>22,89,97,776</u></b>		<b><u>24,68,37,989</u></b>
<b>18.1. SHORT TERM LOANS AND ADVANCES TO RELATED PARTIES</b>				
— QH Talbros Ltd.		1,11,21,188		1,07,53,357
— Magneti Marelli Talbros Chasis Systems Private Limited		15,11,044		-
<b>TOTAL</b>		<b><u>1,26,32,232</u></b>		<b><u>1,07,53,357</u></b>
<b>19. OTHER CURRENT ASSETS</b>				
Interest accrued on deposits		53,30,036		85,12,344
<b>TOTAL</b>		<b><u>53,30,036</u></b>		<b><u>85,12,344</u></b>
<b>20. REVENUE FROM OPERATIONS</b>				
a) Sale of Products		3,54,66,44,888		3,13,78,51,216
b) Sale of Services		3,01,32,510		3,34,35,410
c) Other Operating Revenues		14,36,78,373		6,28,33,417
		<u>3,72,04,55,771</u>		<u>3,23,41,20,043</u>
d) Less: Excise Duty		28,51,71,646		27,37,79,832
<b>TOTAL</b>		<b><u>3,43,52,84,125</u></b>		<b><u>2,96,03,40,211</u></b>

# Talbro Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	₹	₹	₹	₹
<b>21. OTHER INCOME</b>				
a) Interest Income		1,10,91,464		1,18,88,165
b) Dividend from Long Term Investments		2,44,86,572		2,44,86,572
c) Profit on Sale of Fixed Assets (Net)		-		11,35,638
d) Other Non-Operating Income		18,61,425		1,15,81,976
<b>TOTAL</b>		<b>3,74,39,461</b>		<b>4,90,92,351</b>
<b>22. COST OF RAW MATERIALS CONSUMED</b>				
a) Cost of Raw Materials Consumed		1,94,77,64,505		1,68,73,88,924
<b>TOTAL</b>		<b>1,94,77,64,505</b>		<b>1,68,73,88,924</b>
(a) (i) Cost of Raw Materials consumed under broad heads				
Tinplate/P.C.R.C.A/Steel		35,18,47,191		35,32,56,844
Jointing		48,93,75,921		33,21,52,757
Forging Steels		41,56,20,405		35,48,76,125
Bought Out of auto components & parts		19,53,03,486		19,17,99,901
Others		49,56,17,502		45,53,03,297
		<b>1,94,77,64,505</b>		<b>1,68,73,88,924</b>
(b) Purchases of Stock-in -Trade				
Dyna Bond		1,60,94,770		-
<b>TOTAL</b>		<b>1,60,94,770</b>		<b>-</b>
<b>23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK-IN-TRADE</b>				
a) <b>Manufactured Goods :</b>				
Auto Components & Parts				
<b>Closing Stock</b>				
Finished Goods		17,92,75,276		16,77,67,032
Work-In-Progress		26,00,63,204		21,66,39,554
<b>TOTAL</b>		<b>43,93,38,480</b>		<b>38,44,06,586</b>
Less :				
<b>Opening Stock</b>				
Finished Goods		16,77,67,032		10,68,50,108
Work-In-Progress		21,66,39,554		17,41,59,828
		<b>38,44,06,586</b>		<b>28,10,09,936</b>
Changes in Inventories of Finished Goods and Work in Progress		<b>5,49,31,894</b>		<b>10,33,96,650</b>
b) <b>Traded Goods :</b>				
Closing Stock		18,68,855		-
Opening Stock		-		-
Changes in Inventories of Stock in Trade		<b>18,68,855</b>		<b>-</b>
<b>TOTAL</b>		<b>5,68,00,749</b>		<b>10,33,96,650</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	₹	₹	₹	₹
<b>24. EMPLOYEE BENEFITS EXPENSE</b>				
a) Salaries and Wages		34,31,30,965		30,21,20,699
b) Contribution to Provident and other Funds		2,22,70,043		3,17,60,515
c) Staff Welfare Expenses		2,79,60,001		2,44,84,699
<b>TOTAL</b>		<b>39,33,61,009</b>		<b>35,83,65,913</b>
<b>25. FINANCE COSTS</b>				
a) Interest Expenses		18,37,80,540		14,67,27,797
b) Other Borrowing Costs		1,53,17,910		1,95,88,285
<b>TOTAL</b>		<b>19,90,98,450</b>		<b>16,63,16,082</b>
<b>26. DEPRECIATION AND AMORTISATION EXPENSE</b>				
a) Depreciation	10,13,51,628		9,43,48,540	
Less:- Transfer from Revaluation Reserve	85,915	10,12,65,713	95,460	9,42,53,080
b) Amortisation		66,77,005		96,33,188
<b>TOTAL</b>		<b>10,79,42,718</b>		<b>10,38,86,268</b>
<b>27. OTHER EXPENSES</b>				
Consumption of Stores & Spares parts		19,31,35,119		19,45,42,053
Labour & Processing Charges		5,00,90,974		4,37,83,091
Power & Fuel		16,68,05,414		13,41,68,544
Rent		8,35,968		28,81,693
Repairs to Buildings		59,99,432		73,82,886
Repairs to Plant & Machinery		3,68,83,817		3,58,40,474
Repairs to other Assets		77,44,759		53,53,909
Insurance		72,16,018		46,56,828
Travelling, Tour & Conveyance		5,07,54,039		4,77,90,448
Discount on Sales		4,12,32,508		4,26,65,944
Sales Promotion expenses		2,78,26,530		3,08,57,505
Packing, Freight & Forwarding		9,19,93,823		7,66,09,794
Rates and taxes		14,42,183		17,99,024
Remuneration to Auditors		9,60,500		9,24,750
Provision for Doubtful Advances		24,16,718		-
Loss on sale of fixed assets		27,74,363		-
Excise duty on Increase/Decrease of Finished Goods		36,16,165		56,24,175
Net Loss on Foreign Currency Transactions & Translation		49,65,416		15,04,236
Miscellaneous expenses		6,03,84,391		6,27,83,373
<b>TOTAL</b>		<b>75,70,78,137</b>		<b>69,91,68,728</b>

# Talbros Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

#### 28.1 Contingent Liabilities :

##### (i) Claims against the Company not acknowledged as debts:

Nature of Dues	Year Ended March 31, 2012		Year Ended March 31, 2011	
	₹	₹	₹	₹
(a) Central Excise	Classification of paper gasket	14,17,866		14,17,866
(b) Service Tax	Cenvat credit	73,38,232		61,18,185
(c) Central Sales Tax	Central Sales Tax	18,94,185		1,19,180
(d) Haryana Value Added Tax	Disallowing input tax	2,73,548		2,73,548
(e) Central Excise	Demand on Assessable value (Ex.)	54,26,357		42,95,902
(f) E.S.I	ESI Demand (Includes ₹ 4,34,130 paid under protest)	41,29,111		41,29,111
(g) Income Tax	Disallowances	4,47,739		4,47,739
(h) Demand from HSIIDC	Demands for enhancement of land cost by HSIIDC	1,29,47,554		1,29,47,554
(i) High Court, Mumbai	Fees for building work	2,05,000		2,05,000
<b>TOTAL</b>		<b>3,40,79,592</b>		<b>2,99,54,085</b>

(ii) Guarantees executed in favour of various authorities/ Customers/Others amounting to ₹ 2,82,44,065 (Previous Year ₹ 36,47,945)

(iii) Corporate Guarantee executed in favour of ICICI Bank Ltd. amounting to ₹ 9.86 Crore (USD 1.91 Millions) {Previous Year ₹ 8.64 Crores (USD 1.91 Millions)} against term borrowing of QH Talbros Ltd., an Associate Company, the outstanding as on March 31, 2012 is ₹ 4.93 Crore (USD 9,55,000.12).

(iv) Bills discounted with Banks ₹ 1,80,77,110 (Previous year ₹ 2,65,96,629).

#### 28.2 Estimated amount of Contracts remaining to be executed on Capital Account and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) - ₹ 1,97,07,862 (Previous Year ₹ 1,07,92,476).

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	%	₹	%	₹

### 29. COMPOSITION OF RAW MATERIALS AND COMPONENTS

#### CONSUMED:- IMPORTED & INDIGENOUS

(as certified by the management)

	%	₹	%	₹
Imported	35.69%	69,52,42,591	29.57%	49,89,44,624
Indigenous	64.31%	1,25,25,21,914	70.43%	1,18,84,44,300
<b>TOTAL</b>	<b>100.00%</b>	<b>1,94,77,64,505</b>	<b>100.00%</b>	<b>1,68,73,88,924</b>

### 30. COMPOSITION OF STORES AND SPARES CONSUMED:-

#### IMPORTED & INDIGENOUS

(as certified by the management)

	%	₹	%	₹
Imported	8.72%	1,68,33,761	5.26%	1,02,32,398
Indigenous	91.28%	17,63,01,358	94.74%	18,43,09,656
<b>TOTAL</b>	<b>100.00%</b>	<b>19,31,35,119</b>	<b>100.00%</b>	<b>19,45,42,054</b>

### 31 PAYMENTS TO AUDITORS:

Audit Fee	6,50,000	6,36,000
(including ₹ 100,000 (Previous year ₹ 86,000) to Branch Auditors)		
For Limited Review	1,50,000	1,50,000
For Other Services	1,60,500	1,38,750
	<b>9,60,500</b>	<b>9,24,750</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	Year Ended March 31, 2012		Year Ended March 31, 2011	
	₹	₹	₹	₹
<b>32 FOREIGN CURRENCY TRANSACTIONS:</b>				
<b>32.1 Value of Imports Calculated on C.I.F. basis:</b>				
a) Raw Materials, Stores & Spares		48,75,46,815		48,67,47,749
b) Plant and Machinery		2,21,61,951		3,16,65,547
c) Tools & Dies		1,23,42,691		50,40,186
<b>32.2 Expenditure</b>				
a) Selling Agency Commission remitted		21,55,775		28,15,324
b) Foreign Travel		1,58,38,499		95,33,903
c) Foreign Subscription, Newspaper & Periodicals		21,622		-
d) Royalty		12,86,507		49,13,877
e) Technical Know How Fee		19,91,476		21,39,864
f) Export Promotion Expenses		1,24,672		9,11,671
g) Exhibits & Shows		7,91,867		6,03,128
h) Interest on ECB Loan		13,21,927		30,00,435
i) ECB Loans Repayments		2,62,31,417		2,62,78,156
<b>32.3 Remittance in Foreign Currency on account of Dividend</b>				
<b>Year</b>	<b>Nos. of Shares held</b>	<b>No. of non residents</b>		
2010-11	366752	26	4,40,102	3,66,752
<b>32.4 Earnings in Foreign Exchange:</b>				
Value of Exports on F.O.B. basis		60,92,25,611		39,89,95,783

**33. EXCISE DUTY**

The finished goods at Sohna Plant (Material Division), Gurgaon is considered as raw material for the Company because the same is used for manufacturing gaskets at Faridabad and other plants. Accordingly, the excise duty liability on excisable goods manufactured at Sohna, but pending removal / clearance from the factory premises as at 31.03.2012, estimated at ₹ 6,73,291 (Previous year ₹ 2,33,666) is not accounted for. If the said liability would have been accounted, it would have resulted in a higher charge of excise duty with corresponding adjustment of liability and a higher inventory by ₹ 6,73,291 (Previous year ₹ 2,33,666). However, this would have no effect on the net profit of the Company for the accounting year or on the net current assets as at 31.03.2012.

**34.** The Micro & Small Enterprises have been identified by the Company from the available information. According to such identification, the disclosure in respect of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as under:

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
a) The principal amount remaining unpaid to such suppliers		1,70,18,908		3,01,37,707
b) The interest due thereon remaining unpaid to such suppliers		Nil		Nil
c) The amount of interest paid in terms of Section 16 of the MSMED Act along with the amount of the payment made to the suppliers beyond the appointed date		Nil		Nil
d) The amount of interest due and payable for the period of delay in making payment		Nil		Nil
e) The amount of interest due and payable and remaining unpaid		Nil		Nil
f) 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 enterprises		Nil		Nil

**35** Small Industries Development Bank of India (SIDBI) has sanctioned a limit of ₹ 1,300 lacs for discounting hundies of Micro, Small and Medium enterprises supplying materials to the company. This facility is secured by way of second pari-passu charge in favour of SIDBI on all the current assets of the Company including stock, raw material, stock in process, finished & semi finished goods, consumable stores, etc. both present and future and is further secured by personal guarantee of two directors. The hundies accepted by the Company and outstanding balance as at March 31, 2012 amounted to ₹ 10,03,50,773 (Previous Year ₹ 8,20,49,976). These amounts have already been provided in the books of accounts.

# Talbro Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

36 Pursuant to the notification dated March 31, 2009 issued by the Ministry of Corporate Affairs, the Company has exercised the option available under the newly inserted paragraph 46 to the Accounting Standard AS -11 "The Effect of Changes in Foreign Exchange Rates" to add or deduct the foreign Exchange fluctuation to capital cost of the Assets. As a result, the exchange gain of ₹ Nil (Previous Year ₹ 0.23 lacs) during the year has been deducted from the cost of fixed assets.

### 37. SEGMENT REPORTING

a) **Primary Segment :**

The Company's operations comprise of two segments viz , "Auto Components & Parts" and "IT Activities". In terms of the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", IT Activities segment does not fall within the purview of Reportable Segments .

b) **Secondary Segment :**

The Company caters to the needs of the Indian as well as foreign market. The risk and returns vary from country to country and export to none of the countries exceeds 10% of the sales turnover of the Company. Hence it is not reportable.

### 38. PRIOR PERIOD EXPENSES

	Year Ended March 31, 2012	Year Ended March 31, 2011
	(₹)	(₹)
Other Expenses	12,92,411	-

### 39. RELATED PARTY DISCLOSURE

As per the Accounting Standard (AS-18) Related Party Disclosure issued by the Institute of Chartered Accountants of India, the Company's related parties are as follows :

a) **Name of the Party and Relationship**

i) **Joint Ventures**

Nippon Leakless Talbro Pvt. Ltd.  
Magnet Marelli Talbro Chassis Systems Pvt. Ltd.

ii) **Associates**

QH Talbro Ltd.,  
Talbro International Ltd.

iii) **Key Management Personnel (Whole time Directors)**

Mr. Umesh Talwar  
Mr. Varun Talwar

iv) **Relatives of Key Management Personnel**

Mr. Anuj Talwar, Son of Mr. Umesh Talwar

b) Balances as at the year end and transactions carried out during the year with the related parties in the ordinary course of business are as follows :

(Amount in ₹)

Nature of Transactions	Joint Ventures	Associates	Total
Sale of Products	-	59,09,57,828	59,09,57,828
	-	(58,94,14,646)	(58,94,14,646)
Trade Receivables	30,15,540	17,80,72,418	18,10,87,958
	(43,08,206)	(17,29,41,155)	(17,72,49,361)
Other Receivables	15,11,044	1,11,21,188	1,26,32,232
	-	(1,07,53,357)	(1,07,53,357)
Sale of Services	1,80,34,050	-	1,80,34,050
	(1,64,78,645)	-	(1,64,78,645)
Purchase of goods	80,10,960	1,93,09,840	2,73,20,800
	(23,29,275)	(2,12,33,840)	(2,35,63,115)
Dividend Income	2,40,00,000	4,44,905	2,44,44,905
	(2,40,00,000)	(4,44,905)	(2,44,44,905)
Investment in Equity Share Capital during the year	50,000	-	50,000
	-	-	-
Investment in Share Application Money during the year	50,00,000	-	50,00,000
	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

Transactions with Key Management Personnel and their Relatives	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration paid	85,15,444 (72,98,596)	46,54,744 (23,76,544)	1,31,70,188 (96,75,140)

(Corresponding figures for the previous year, wherever applicable, appear in brackets).

**40. EMPLOYEE BENEFITS**

	Year Ended March 31, 2012	Year Ended March 31, 2011
	(₹)	(₹)
<b>40.1 Defined Contribution Plans:</b>		
a) Employer's Contribution to Superannuation Fund	33,24,537	31,49,335
b) Employer's Contribution to Provident Fund	1,54,90,778	1,41,13,244

**40.2 Defined Benefit Plans:**

a) Gratuity and Leave Encashment

**i) Change in the Present Value of the Obligation:**

	GRATUITY		LEAVE ENCASHMENT	
	2011-12	2010-11	2011-12	2010-11
- Obligation at the beginning of the year	5,72,81,110	4,96,51,672	75,57,872	66,07,920
- Current Service Cost	40,73,575	40,73,575	61,50,513	35,77,247
- Interest Cost	45,82,489	39,72,134	4,65,851	4,11,342
- Actuarial Gains/ Loss	(17,44,648)	37,07,863	7,42,447	4,98,564
- Benefits paid during the year	(76,61,030)	(41,24,134)	(44,67,720)	(35,37,201)
- Obligation at the end of the year	<b>5,65,31,496</b>	<b>5,72,81,110</b>	<b>1,04,48,963</b>	<b>75,57,872</b>

**ii) Change in the Fair Value of the Plan Assets**

- Plan Assets at the beginning of the year	3,00,77,724	2,73,53,073	-	-
- Expected return on Plan Assets	27,17,978	24,88,424	-	-
- Contributions by employer	72,05,753	43,60,361	-	-
- Benefits Paid during the year	(76,61,030)	(41,24,134)	(44,67,720)	(35,37,201)
- Plan Assets at the end of the year	<b>3,23,40,425</b>	<b>3,00,77,724</b>	<b>(44,67,720)</b>	<b>(35,37,201)</b>

**iii) Amount of Obligations & Assets recognized in the Balance Sheet**

- Present Value of Obligations at the end of the year	5,65,31,496	5,72,81,110	1,04,48,963	75,57,872
- Fair Value of Assets at the end of the year	(3,23,40,425)	(3,00,77,724)	-	-
- Net Obligation recognized in the Balance Sheet	<b>2,41,91,071</b>	<b>2,72,03,386</b>	<b>1,04,48,963</b>	<b>75,57,872</b>

**iv) Expenses Recognized in the Statement of Profit and Loss**

- Current Service Cost	(1,22,920)	(40,73,575)	(61,50,513)	(35,77,247)
- Interest Cost	(45,82,489)	(39,72,134)	(4,65,851)	(4,11,342)
- Expected return on Plan Assets	25,74,128	-	-	-
- Actuarial Gains/ Loss	(17,44,648)	(37,07,863)	(7,42,447)	(4,98,564)
<b>TOTAL</b>	<b>3,86,633</b>	<b>1,17,53,572</b>	<b>(73,58,811)</b>	<b>(44,87,153)</b>

**v) Actuarial Assumptions**

- Mortality Rate	LIC (1994-96) ULTIMATE			
- Withdrawal Rate	1% to 3% depending on age			
- Discount Rate	8.00%	8.00%	8.75%	8.50%
- Salary Escalation	6.00%	6.00%	6.00%	6.00%
- Expected Rate of return on Plan Assets	9.30%	9.25%	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

# Talbro Automotive Components Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

41. Letters seeking confirmation of outstanding balances at year end have been sent to all the customers / suppliers / recoverables. Confirmations have been received in few cases. Adjustments, if any, will be made in the current year on receipt / reconciliation of remaining confirmations.
42. The management, in order to move up the supply chain and acquire designing and developing technologies/capabilities for Suspension Systems and Modules, has decided to sell and to transfer the Stamping Business, currently engaged in the manufacture of parts and components of suspension systems including but not limited to sheet metal automotive components for vehicle suspension and steering linkage by way of slump sale and on a going concern basis to a separate 50:50 joint venture with Sistemi S.p.A, Italy, a wholly owned subsidiary of Magneti Marelli, Italy. It was duly approved by the shareholders on January 6, 2012 and the joint venture started its operations from 1st April, 2012 under the name Magneti Marelli Talbro Chassis Systems Private Limited.
43. **Interest in Joint Venture**  
The Company has a joint venture in M/s. Nippon Leakless Talbro Private Limited, a Company incorporated in India engaged in manufacturing Gaskets, wherein Company holds 40% ownership interest. The proportionate assets, liabilities, expenses and incomes have been disclosed in the Consolidated Financial Statements.

### 44 Earnings Per Share :

Basic Earnings per share		Year Ended March 31, 2012	Year Ended March 31, 2011
a)	<b>Calculation of weighted average number of Equity Shares</b>		
	Number of Equity Shares at the beginning of the year	1,23,45,630	1,23,45,630
	Number of Equity Shares at the end of the year	1,23,45,630	1,23,45,630
	Weighted average number of Equity Shares outstanding during the year	1,23,45,630	1,23,45,630
b)	Net Profit after Tax available for Equity Shareholders	10,62,57,105	9,51,10,523
c)	Basic Earnings per Share (Face value of ₹ 10 each)	8.61	7.70
<b>Diluted Earnings per Share</b>			
a)	<b>Calculation of weighted average number of Equity Shares</b>		
	Number of Equity Shares at the beginning of the year	1,23,45,630	1,23,45,630
	Number of Equity Shares at the end of the year	1,23,45,630	1,23,45,630
	Weighted average number of Equity Shares outstanding during the year	1,23,45,630	1,23,45,630
b)	Net Profit after Tax available for Equity Shareholders	10,62,57,105	9,51,10,523
c)	Diluted Earnings per Share (Face value of ₹10 each)	8.61	7.70

- 45 The Company has provided Minimum Alternate Tax (MAT) due to carrying forward of unabsorbed accumulated losses and unabsorbed depreciation of the amalgamating Companies, and further, the Company is entitled for MAT Credit amounting to ₹ 6,14,84,626 (Previous Year ₹ 4,47,34,626) as per provisions of Income Tax Act, 1961.
- 46 Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.

(SEEMA NARANG)  
Company Secretary

(R.P. GROVER)  
CFO

(VARUN TALWAR)  
Joint Managing  
Director

(UMESH TALWAR)  
Vice Chairman &  
Managing Director

AS PER OUR REPORT OF EVEN DATE  
For **S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Regn. No.: 000050N

Place : Gurgaon  
Dated : 29.05.2012

(SURESH SETH)  
Partner  
M. NO. F-10577



**CONSOLIDATED  
BALANCE SHEET  
AND  
STATEMENT OF PROFIT & LOSS**

## AUDITORS' REPORT

To  
The Board of Directors  
TALBROS AUTOMOTIVE COMPONENTS LIMITED

We have audited the attached consolidated Balance Sheet of **TALBROS AUTOMOTIVE COMPONENTS LIMITED** as at March 31, 2012, the Consolidated Statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding component. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statement have been prepared by the Company in accordance with the requirement of Accounting Standard (AS)-21 "Consolidated Financial Statements" and AS-27 "Financial Reporting of interests in joint ventures" issued by The Institute of Chartered Accountants of India.

In our opinion and to the best of information and explanations given to us the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In case of Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- ii) In cases of Consolidated Statement of Profit and Loss, of the Profit of the Company for the year ended on that date: and
- iii) In case of Consolidated Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

**For S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Reg. No. 000050N

**(Suresh Seth)**  
Partner  
M. No.10577

Place : Gurgaon  
Date : May 29, 2012

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012**

	Note No.	As at March 31, 2012		As at March 31, 2011	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds:</b>					
Share Capital	2	12,34,56,300		12,34,56,300	
Reserves and Surplus	3	84,78,28,881	97,12,85,181	74,92,37,578	87,26,93,878
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	4	32,71,64,091		34,16,63,661	
Deferred Tax Liabilities (Net)	5	7,54,25,747		7,20,93,956	
Long-Term Provisions	6	3,24,88,477	43,50,78,315	3,90,83,803	45,28,41,420
<b>Current Liabilities</b>					
Short-Term Borrowings	7	67,81,47,884		58,78,71,239	
Trade Payables	8	82,51,80,638		77,89,18,591	
Other Current Liabilities	9	28,76,84,610		27,39,18,070	
Short-Term Provisions	10	1,96,60,236	1,81,06,73,368	2,84,12,520	1,66,91,20,420
<b>TOTAL</b>			<b>3,21,70,36,864</b>		<b>2,99,46,55,718</b>
<b>ASSETS:</b>					
<b>Non-Current Assets</b>					
Fixed Assets	11				
— Tangible Assets		1,06,29,30,956		1,04,66,60,514	
— Intangible Assets		1,09,13,586		1,36,59,269	
— Capital Work in Progress		50,48,963		2,08,40,504	
— Intangible Assets under Development		11,44,701	1,08,00,38,206	-	1,08,11,60,287
Non-current Investments	12		2,46,91,210		56,20,670
Long-Term Loans and Advances	13		8,75,65,927		6,71,97,052
Other Non-Current Assets	14		11,90,476		-
<b>Current Assets</b>					
Current Investment	15	-		88,56,989	
Inventories	16	98,98,94,672		85,68,47,373	
Trade Receivables	17	71,65,79,754		65,79,08,956	
Cash and Bank Balances	18	7,57,03,909		5,72,54,295	
Short-Term Loans and Advances	19	23,55,43,889		25,10,49,922	
Other Current Assets	20	58,28,821	2,02,35,51,045	87,60,174	1,84,06,77,709
<b>TOTAL</b>			<b>3,21,70,36,864</b>		<b>2,99,46,55,718</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				

The accompanying Notes are an integral part of the Consolidated Financial Statements

<b>(SEEMA NARANG)</b> Company Secretary	<b>(R.P. GROVER)</b> CFO	<b>(VARUN TALWAR)</b> Joint Managing Director	<b>(UMESH TALWAR)</b> Vice Chairman & Managing Director	AS PER OUR REPORT OF EVEN DATE For <b>S.N. DHAWAN &amp; CO.</b> Chartered Accountants Firm Regn. No.: 000050N
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Place : Gurgaon  
Dated : 29.05.2012

**(SURESH SETH)**  
Partner  
M. NO. F-10577

# Talbro's Automotive Components Limited

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	Year Ended March 31, 2012		Year Ended March 31, 2011	
		₹	₹	₹	₹
<b>INCOME:</b>					
Revenue from Operations (Gross)	21	4,06,59,42,023		3,50,27,01,546	
Less: Excise Duty		31,14,71,637	3,75,44,70,386	29,38,24,031	3,20,88,77,515
Proportionate consolidation eliminations			(2,43,60,960)		(1,58,19,093)
Other Income	22		3,93,96,870		5,02,39,092
<b>Total Revenue</b>			<b>3,76,95,06,296</b>		<b>3,24,32,97,514</b>
<b>EXPENSES</b>					
Cost of Raw Materials Consumed	23		2,16,33,02,607		1,84,37,90,896
Purchases of Stock -in-Trade	23		1,60,94,770		-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24		(6,30,11,956)		(10,58,53,518)
Employee Benefits Expense	25		40,77,27,639		36,95,24,475
Finance Costs	26		19,90,98,450		16,63,16,082
Depreciation and Amortisation Expense	27		11,22,84,304		10,80,90,795
Other Expenses	28		80,32,41,841		73,77,13,026
<b>Total expenses</b>			<b>3,63,87,37,655</b>		<b>3,11,95,81,756</b>
Proportionate consolidation eliminations			(2,43,60,960)		(1,58,19,093)
			<b>3,61,43,76,695</b>		<b>3,10,37,62,663</b>
<b>Profit before Tax</b>			<b>15,51,29,601</b>		<b>13,95,34,851</b>
<b>Tax Expense:</b>					
Current Tax / MAT		2,61,42,610		2,51,30,962	
MAT Credit Entitlement		(1,67,62,959)		(1,41,50,000)	
Deferred Tax		33,31,791		27,32,603	
(Excess) / Short Provision for Tax for Earlier Years Written Back / Provided		(13,70,539)	1,13,40,903	(65,556)	1,36,48,009
<b>Profit for the year</b>			<b>14,37,88,698</b>		<b>12,58,86,842</b>
<b>Earnings per Share (Face Value ₹ 10)</b>					
Basic and Diluted Earnings per Share (₹)	35		11.65		10.20
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1				

The accompanying Notes are an integral part of the Consolidated Financial Statements

(SEEMA NARANG)  
Company Secretary

(R.P. GROVER)  
CFO

(VARUN TALWAR)  
Joint Managing  
Director

(UMESH TALWAR)  
Vice Chairman &  
Managing Director

AS PER OUR REPORT OF EVEN DATE  
For **S.N. DHAWAN & CO.**  
Chartered Accountants  
Firm Regn. No.: 000050N

(SURESH SETH)  
Partner  
M. NO. F-10577

Place : Gurgaon  
Dated : 29.05.2012

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	2011-12		2010-11	
	₹	₹	₹	₹
<b>A. Cash flows from Operating Activities</b>				
<b>a. Net Profit before tax</b>		<b>15,51,29,601</b>		<b>13,95,34,851</b>
Adjustments for:				
Depreciation/Amortisation	11,22,84,304		10,80,90,794	
Interest Expense	19,90,98,450		16,63,16,082	
Foreign Exchange Fluctuation	(21,48,298)		14,83,765	
Interest Income	(1,24,76,887)		(1,24,05,008)	
Dividend Income	(2,50,58,558)		(2,49,38,788)	
Loss / Profit on Sale of Assets	28,20,487		(10,91,198)	
Provision for doubtful debts	24,16,718	27,69,36,216	-	23,74,55,646
<b>b. Operating profit before Working Capital changes</b>		<b>43,20,65,817</b>		<b>37,69,90,498</b>
Adjustments for:				
Current Assets, Loans and advances (current & non-current)	(6,45,86,435)		(11,90,84,051)	
Inventories	(13,30,47,299)		(22,07,65,917)	
Current Liabilities (Current & non Current)	5,39,05,592	(14,37,28,141)	26,02,15,325	(7,96,34,643)
<b>c. Cash generated from Operations</b>		<b>28,83,37,676</b>		<b>29,73,55,855</b>
Direct Taxes (paid) / refund	(2,29,45,568)	(2,29,45,568)	(1,39,23,264)	(1,39,23,264)
<b>Net Cash from Operating Activities</b>		<b>26,53,92,108</b>		<b>28,34,32,591</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of Fixed Assets	47,56,799		77,47,353	
Movement in Inter-Corporate Deposits	85,50,000		(1,00,000)	
Interest Received	156,59,195		2,04,83,715	
Dividends Received	340,86,572		2,68,86,572	
Purchase of Fixed Assets	(12,11,74,322)		(10,24,20,373)	
Investments	(96,41,565)		-	
<b>Net Cash flow from investing activities</b>		<b>(6,77,63,321)</b>		<b>(4,74,02,733)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest Paid	(19,66,18,441)		(16,23,31,231)	
Movement in other Bank balances	(33,28,102)		(2,11,21,431)	
Proceeds from Borrowings	21,70,03,844		9,52,83,301	
Repayment of Borrowings	(14,32,20,122)		(12,05,14,370)	
Dividends Paid	(4,83,73,289)		(3,86,17,017)	
Dividend Tax Paid	(78,91,164)		(64,35,165)	
<b>Net Cash flow from Financing Activities</b>		<b>(18,24,27,274)</b>		<b>(25,37,35,913)</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>		<b>1,52,01,513</b>		<b>(1,77,06,055)</b>
<b>Cash and Cash Equivalents as at:</b>				
-the beginning of the year		<b>2,29,37,254</b>		<b>4,06,43,309</b>
-the end of the year		<b>3,81,38,767</b>		<b>2,29,37,254</b>

**Note :** Previous year figures have been regrouped wherever necessary.

<b>(SEEMA NARANG)</b> Company Secretary	<b>(R.P. GROVER)</b> CFO	<b>(VARUN TALWAR)</b> Joint Managing Director	<b>(UMESH TALWAR)</b> Vice Chairman & Managing Director	AS PER OUR REPORT OF EVEN DATE For <b>S.N. DHAWAN &amp; CO.</b> Chartered Accountants Firm Regn. No.: 000050N
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**(SURESH SETH)**  
Partner  
M. NO. F-10577

Place : Gurgaon  
Dated : 29.05.2012

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCHY 31, 2012

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Accounting Convention:

The financial statements are prepared on accrual basis, under the historical cost convention in accordance with applicable Accounting Principles in India, applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, which have been notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of Companies Act, 1956.

#### 1.2 Investments:

Long term investments are stated at cost, less any provision for diminution other than temporary in nature.

#### 1.3 Inventory Valuation:

Raw Materials and Stores & spare parts are valued at lower of cost or net realizable value. Cost represents purchase price and other expenditure directly attributable to the acquisition and is determined on First in First Out (FIFO) basis. Tools are amortised over their expected useful life.

Finished Goods & Work-in-Progress are valued at lower of cost or net realizable value. Cost for this purpose includes materials, labour and appropriate allocation of overheads. Excise duty on stock lying with Company is added to the cost of finished goods inventory.

#### 1.4 Fixed Assets

##### Tangible

1.4.1 Fixed Assets are stated at cost of acquisition or construction and include amounts added on revaluation, less accumulated depreciation.

##### Intangible

1.4.2 Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard 26 (AS-26) "Intangible Assets". Amortization of the asset is being done over the period of the Agreement but not exceeding ten years.

1.4.3 Expenditure on Major Software Products is written off over a period of three years except Forging Division where the Software Products are written off over a period of five years.

#### 1.5 Depreciation / Amortisation

Depreciation in Gasket Plants situated at Faridabad, Chennai, Pune and Sohna is charged on straight line method on assets comprising plant, machinery and equipments (except on items acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant which are depreciated on written down value method) and on written down value method on all other depreciable assets, as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

In IT Division, plant, machinery and equipments are depreciated on straight line method @ 14.12% while office and air conditioning equipments are depreciated on written down value method @ 35%. These rates have been arrived at on the basis of their useful life. Depreciation on all other assets is charged on written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in Sitarganj Gasket Plant, Forging Plant and Stamping Plant is charged on straight line method on all fixed assets other than vehicles as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on vehicles is provided on written down value method.

In respect of additions to/deductions from fixed assets during the year, depreciation is charged on pro-rata basis. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold Land is amortised over the period of the lease.

#### 1.6 Revenue Recognition:

1.6.1 Revenue from Operations includes excise duty and is net of returns and trade discounts. Excise duty relating to sales is adjusted against Revenue from Operations. Excise duty on the increase/decrease in the stock of finished goods is recognized as part of the Other Expenses.

1.6.2 Dividend is accounted for on accrual basis when the right to receive the dividend is established.

1.6.3 Export incentives are accounted on accrual basis.

#### 1.7 Foreign Currency Transactions:

Transactions in foreign currency are accounted at the exchange rates prevailing at the dates of the transactions. Gains/losses arising out of fluctuation in exchange rates, if any, on settlement are recognized in the Statement of Profit and Loss except in the case of long term monetary items relating to acquisition of fixed assets where such gains/losses are adjusted to the cost of fixed assets.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

Foreign currency monetary items are converted at the exchange rate prevailing as at the year end and resultant gain/loss is charged to Statement of Profit and Loss, except in case of long term monetary items representing liabilities relating to acquisition of fixed assets which are adjusted to the cost of the respective assets. In respect of transactions covered by foreign exchange forward contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Statement of Profit and Loss over the period of the contract.

**1.8 Employee Benefits:**

- i) Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.
- ii) Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the fund are due.
- iii) Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation made at the end of each financial year based on the projected unit cost method.
- iv) Long Term compensated absences are provided for based on actuarial valuation made at the end of each financial year based on the projected unit cost method.
- v) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

**1.9 Borrowing Costs:**

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

**1.10 Leases**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at an amount equal to Present Value of future lease payments and corresponding amount is recognized as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Lease management fees, legal charges and other initial direct costs, if any, are capitalized.

**1.11 Deferred Tax**

Deferred tax is recognized, subject to the consideration of prudence on timing differences, representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets in case of unabsorbed depreciation and carry forward losses are recognized if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**1.12 Impairment of Assets:**

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount.

**1.13 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision are recognized only when it is virtually certain that the reimbursements will be received.

Contingent Liability is disclosed in the case of

- a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) A possible obligation, of which the probability of outflow of resources is remote.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date. Contingent Assets are neither recognized nor disclosed.

**1.14 Financial Instruments**

The Company uses derivatives and other instruments such as foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments as and when required.

# Talbro Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>1. SHARE CAPITAL</b>				
<b>Authorised Share Capital:</b>		20,00,00,000		20,00,00,000
2,00,00,000 Equity Shares of ₹ 10/- each (Previous year 2,00,00,000 Equity Shares of ₹ 10 each)				
<b>Issued, Subscribed and Paid-up*:</b>				
1,23,45,630 Equity Shares of ₹10/- each fully paid up (Previous year 1,23,45,630 Equity Shares of ₹ 10 each fully paid up)		17,14,56,300		17,14,56,300
Proportional consolidation eliminations		(4,80,00,000)		(4,80,00,000)
<b>TOTAL</b>		<b>12,34,56,300</b>		<b>12,34,56,300</b>

**\*It includes :-**

- 5,24,349 Equity Shares allotted as fully paid up on 16.08.2007 to erstwhile shareholders of XO Stampings Ltd., pursuant to the sanction of the Hon'ble High Court of Punjab & Haryana, to a scheme of arrangement of the said Company with the Company under Section 391 read with Section 394 of the Companies Act, 1956 for consideration other than cash.
- 2,03,315 Equity Shares allotted as fully paid up on 16.08.2007 to shareholders of XO Infotech Ltd., pursuant to the sanction of the Hon'ble High Court of Punjab & Haryana, to a scheme of arrangement of the said Company with the Company under Section 391 read with Section 394 of the Companies Act, 1956 for consideration other than cash.

**2.1** 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.

**2.2 Details of Shareholders holding more than 5% shares in the Company**

	%	No. of Shares as at 31.03.2012	%	No. of Shares as at 31.03.2011
a) QH Talbro Ltd.	12.92	15,94,681	11.94	14,74,391

**3. RESERVES & SURPLUS**

a) <b>Capital Reserve</b>		15,21,000		15,21,000
b) <b>Securities Premium Account</b>		46,78,30,274		46,78,30,274
c) <b>Revaluation Reserve</b>				
As per last Balance Sheet	53,01,708		53,97,168	
Less: Transferred to Statement of Profit and Loss	85,915	52,15,793	95,460	53,01,708
d) <b>General Reserve</b>				
As per last Balance Sheet	3,28,69,107		2,47,91,475	
Add: Transferred from Surplus balance in Statement of Profit and Loss	87,53,159	4,16,22,266	80,77,632	3,28,69,107
e) <b>Surplus balance in Statement of Profit and Loss</b>				
As per last Balance Sheet	24,17,15,489		16,91,10,459	
Profit for the year	14,37,88,698		12,58,86,842	
Less:- Allocations and Appropriations				
Interim Dividend	2,40,00,000		1,44,00,000	
Tax paid on Interim Dividend	38,93,400		23,91,660	
Proposed Dividend	1,48,14,756		2,44,14,756	
Corporate Dividend Tax	24,03,324		39,97,764	
Transferred to General Reserve	87,53,159	33,16,39,548	80,77,632	24,17,15,489
<b>TOTAL</b>		<b>84,78,28,881</b>		<b>74,92,37,578</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**
**4. LONG TERM BORROWINGS**

	Non-Current portion		Current Maturities		Total	
	As at 31.03.2012 ₹	As at 31.03.2011 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>Secured, unless otherwise stated</b>						
<b>a) Term Loans:</b>						
<b>From Banks</b>						
* State Bank of India	13,49,07,000	19,62,57,000	4,77,50,000	7,37,50,000	18,26,57,000	27,00,07,000
** ICICI Bank	-	-	-	2,62,31,417	-	2,62,31,417
# Yes Bank	1,42,85,714	8,33,333	1,15,47,619	1,00,00,000	2,58,33,333	1,08,33,333
## Punjab National Bank	8,45,45,771	76,38,810	71,00,000	12,00,000	9,16,45,771	88,38,810
Against security of movable fixed assets on Hire Purchase basis	1,12,98,399	1,49,82,094	1,58,41,560	88,46,883	2,71,39,959	2,38,28,977
	24,50,36,884	21,97,11,237	8,22,39,179	12,00,28,300	32,72,76,063	33,97,39,537
<b>From Others</b>						
Against security of movable fixed assets on Hire Purchase basis	17,60,987	96,70,204	81,81,874	83,94,106	99,42,861	1,80,64,310
<b>b) Deposits (Unsecured)</b>						
### Fixed Deposits from Public	8,03,66,220	11,22,82,220	6,03,87,000	2,43,79,000	14,07,53,220	13,66,61,220
<b>Total</b>	<b>32,71,64,091</b>	<b>34,16,63,661</b>	<b>15,08,08,053</b>	<b>15,28,01,406</b>	<b>47,79,72,144</b>	<b>49,44,65,067</b>
Amount disclosed under the head "other current liabilities (Note no. 9)			15,08,08,053	15,28,01,406		

**Notes:-**

- \* Term Loan from State Bank of India is secured by first exclusive charge over the fixed assets at the Sitarganj Plant including Land & Building. Further secured by personal guarantee of two directors and repayable with in 6 1/2 years (including moratorium of 1 3/4 years) in 20 quarterly instalments beginning from 01.04.2010.
- \*\* ECB Loan from ICICI Bank was secured by way of first charge on the specific fixed assets including movable fixed assets and movable properties financed out of this loan. Further, secured by second pari-passu charge over all the existing fixed assets of the Company situated at Faridabad, Chennai, Pune, Sohna & Bawal plants and personal guarantee of two directors. Fully repaid in October 2011.
- # Term loan from Yes Bank is secured by way of subservient charge on current assets and movable fixed assets and personal guarantee of three directors and repayable in 21 equal monthly instalments after a moratorium period of three months.
- ## Term Loan from Punjab National Bank is secured by way of first charge on the specific fixed assets financed out of this loan. Further, secured by second pari-passu charge on entire current assets, present & future and personal guarantee of two directors and repayable with in 5 1/2 years in 20 quarterly instalment beginning from 31.03.2012.
- ### Non current portion of Fixed deposits from public repayable during financial year 2013-14 and 2014-15 amounting to ₹ 5,05,24,220 and ₹ 2,98,42,000 respectively.

**5. DEFERRED TAX LIABILITIES (NET)**

The deferred tax assets / liabilities as at 31st March 2012 comprise of the following :

Particulars	Deferred Tax Assets/(Liabilities) As at 01.04.2011			(Charge) / Credit during the year			Deferred Tax Assets / (Liabilities) As at 31.03.2012		
	Talbros Automotive Components Ltd.	Joint Venture	Total	Talbros Automotive Components Ltd.	Joint Venture	Total	Talbros Automotive Components Ltd.	Joint Venture	Total
Depreciation	(7,86,82,412)	(36,12,438)	(8,22,94,850)	(17,68,808)	(10,46,867)	(28,15,675)	(8,04,51,220)	(46,59,305)	(8,51,10,525)
Disallowance u/s 43B	70,30,749	54,992	70,85,741	(13,28,886)	28,695	(13,00,191)	57,01,863	83,687	57,85,550
Provision for doubtful debts / advances	31,15,153	-	31,15,153	7,84,075	-	7,84,075	38,99,228	-	38,99,228
<b>Total</b>	<b>(6,85,36,510)</b>	<b>(35,57,446)</b>	<b>(7,20,93,956)</b>	<b>(23,13,619)</b>	<b>(10,18,172)</b>	<b>(33,31,791)</b>	<b>(7,08,50,129)</b>	<b>(45,75,618)</b>	<b>(7,54,25,747)</b>

# Talbros Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>6. LONG-TERM PROVISIONS</b>				
Provision for Leave Encashment		82,97,406		77,23,424
Provision for Gratuity		2,41,91,071		3,13,60,379
<b>TOTAL</b>		<b>3,24,88,477</b>		<b>3,90,83,803</b>

### 7. SHORT TERM BORROWINGS:

#### Secured, unless otherwise stated

#### a) Working Capital Loans

##### \* From Banks

State Bank of India	20,52,29,562		20,01,60,313	
ICICI Bank	1,88,11,861		2,31,94,462	
State Bank of Patiala	16,97,30,145		12,56,82,391	
Punjab National Bank	19,69,87,281		14,82,58,469	
** Yes Bank	43,82,035		46,57,960	
DBS Bank Ltd. (Unsecured)	-	59,51,40,884	3,12,67,644	53,32,21,239

##### From others

*** Bajaj Finance Ltd. (Unsecured)		5,00,00,000		-
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#### b) Deposits (Unsecured)

Fixed Deposits from Public		2,30,07,000		4,46,50,000
Inter Corporate Deposit		1,00,00,000		1,00,00,000

<b>TOTAL</b>		<b>67,81,47,884</b>		<b>58,78,71,239</b>
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#### NOTES:-

\* Working Capital Loans from State Bank of India, ICICI Bank, State Bank of Patiala and Punjab National Bank are secured by way of first pari-passu charge of hypothecation on the Company's entire current assets, both present & future. Further, secured by second charge on all the fixed assets of the Company, both present & future, ranking pari-passu and personal guarantee of two directors of the Company.

\*\* Working Capital Loan from Yes Bank is secured by way of sub servient charge on current assets and movable fixed assets and is further secured by personal guarantee of three directors of the Company

\*\*\* Working Capital Loan from Bajaj Finance Ltd. is secured by personal guarantee of two directors of the Company.

### 8. TRADE PAYABLES:

Acceptances		33,56,21,090		31,23,39,074
Trade Payables		48,95,59,548		46,65,79,517
<b>TOTAL</b>		<b>82,51,80,638</b>		<b>77,89,18,591</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>9. OTHER CURRENT LIABILITIES:</b>				
Current Maturities of Long Term Borrowings		15,08,08,054		15,28,01,406
Interest Accrued but not due on Borrowings		1,28,40,649		1,05,94,392
Interest Accrued and due on Borrowings		34,98,697		32,52,188
Liability towards Investors Education and Protection Fund*				
— Unclaimed Dividend	17,35,259		16,93,792	
— Unclaimed Matured Deposits	14,57,000		16,22,000	
— Interest accrued on Unclaimed Matured Deposits	2,14,657		2,27,414	
— Unclaimed Fractional Shares	3,087	34,10,003	3,087	35,46,293
Employee Related Payables		3,33,00,639		2,30,24,446
Statutory Liabilities		3,89,33,159		3,08,20,348
Advance Received from Customers		1,68,23,911		1,06,11,011
Others		2,80,69,498		3,92,67,986
<b>TOTAL</b>		<b>28,76,84,610</b>		<b>27,39,18,070</b>

\* There are no amounts due for payment to Investors Education and Protection Fund

**10. SHORT-TERM PROVISIONS :**

Leave Encashment	24,42,156	-
Proposed Dividend	1,48,14,756	2,44,14,756
Corporate Dividend Tax	24,03,324	39,97,764
<b>TOTAL</b>	<b>1,96,60,236</b>	<b>2,84,12,520</b>

**11. (i) FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost as at 01.04.2011	Additions during the year	Deductions during the year	Cost as at 31.03.2012	As at 01.04.2011	For the year	Deductions during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b>(i) Tangible Assets</b>										
Land										
-Freehold *	4,63,17,705	14,729	-	4,63,32,434	-	-	-	-	4,63,32,434	4,63,17,705
-Leasehold	4,13,98,978	-	-	4,13,98,978	12,15,668	4,47,170	-	16,62,838	3,97,36,140	4,01,83,310
Buildings	34,13,99,282	89,95,408	-	35,03,94,690	8,46,07,091	1,22,69,944	-	9,68,77,035	25,35,17,655	25,67,92,190
Plant, Machinery & Equipments@	1,21,30,57,211	8,81,92,855	2,69,91,857	1,27,42,58,209	62,45,04,062	7,28,51,622	2,39,88,639	67,33,67,045	60,08,91,164	58,85,53,149
Motor Vehicles **	7,52,27,334	2,33,41,632	1,15,93,903	8,69,75,063	3,56,87,289	1,29,78,427	71,07,546	4,15,58,170	4,54,16,893	3,95,40,046
Furniture & Fixtures	3,63,23,528	19,68,222	9,39,258	3,73,52,492	2,16,51,598	22,08,342	9,38,903	2,29,21,037	1,44,31,455	1,46,71,931
Office Equipment	2,29,18,947	17,10,815	5,89,604	2,40,40,158	1,17,66,044	13,77,927	5,48,742	1,25,95,229	1,14,44,929	1,11,52,903
Electrical Installation	5,87,20,039	47,01,804	4,09,708	6,30,12,135	1,56,54,899	31,16,283	4,09,560	1,83,61,622	4,46,50,513	4,30,65,140
Air-Conditioning Plant	76,85,319	5,88,399	4,61,830	78,11,888	19,55,570	3,87,729	4,15,484	19,27,815	58,84,073	57,29,749
Tube-Well	10,51,423	-	-	10,51,423	3,97,032	28,691	-	4,25,723	6,25,700	6,54,391
<b>Total</b>	<b>1,84,40,99,766</b>	<b>12,95,13,864</b>	<b>4,09,86,160</b>	<b>1,93,26,27,470</b>	<b>79,74,39,253</b>	<b>10,56,66,135</b>	<b>3,34,08,874</b>	<b>86,96,96,514</b>	<b>1,06,29,30,956</b>	<b>1,04,66,60,514</b>
<b>Previous Year</b>	<b>1,74,41,13,615</b>	<b>12,23,81,504</b>	<b>2,23,95,352</b>	<b>1,84,40,99,767</b>	<b>71,46,42,337</b>	<b>9,85,36,113</b>	<b>1,57,39,197</b>	<b>79,74,39,253</b>	<b>1,04,66,60,514</b>	

\* Includes Land valuing ₹ 2,55,59,804 (Previous Year ₹ 2,55,59,804) for which the title is yet to be registered in the Company's name.

\*\* Includes cost of Vehicles ₹ 5,77,25,344 (Previous Year ₹ 4,15,60,938) acquired under hire purchase arrangement.

@ Includes cost of Machineries ₹ 3,91,64,513 (Previous Year ₹ 3,91,64,513) acquired under hire purchase arrangement.

**(ii) Intangible Assets**

Computer Software	1,58,18,831	16,22,129	-	1,74,40,960	1,22,56,784	30,64,285	-	1,53,21,069	21,19,891	35,62,046
Technical Know-How	3,40,14,838	23,36,271	-	3,63,51,109	2,39,17,615	36,39,799	-	2,75,57,414	87,93,695	1,00,97,223
<b>Total</b>	<b>4,98,33,669</b>	<b>39,58,400</b>	<b>-</b>	<b>5,37,92,069</b>	<b>3,61,74,399</b>	<b>67,04,084</b>	<b>-</b>	<b>4,28,78,483</b>	<b>1,09,13,586</b>	<b>1,36,59,269</b>
<b>Previous Year</b>	<b>4,38,20,198</b>	<b>60,13,471</b>	<b>-</b>	<b>4,98,33,669</b>	<b>2,65,24,258</b>	<b>96,50,142</b>	<b>-</b>	<b>3,61,74,399</b>	<b>1,36,59,269</b>	
<b>(iii) Capital Work In Progress</b>										
Capital work in progress									50,48,963	2,08,40,504
<b>(iv) Intangible Assets Under Development</b>										
Computer Software									11,44,701	-

# Talbros Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>12. NON-CURRENT INVESTMENTS</b>				
<b>Unquoted : At Cost</b>				
<b>a) Trade Investments:</b>				
<b>In Joint Ventures</b>				
— Nippon Leakless Talbros Pvt. Ltd 48,00,000 Equity Shares of ₹ 10/- each fully paid up		4,80,00,000		4,80,00,000
— Magneti Marelli Talbros Chassis Systems Pvt.Ltd. 5,000 Equity Shares of ₹ 10/- each fully paid up		50,000		-
Share Application Money		50,00,000		-
<b>In Associate</b>				
QH Talbros Limited 1,77,962 Equity Shares of ₹ 10/- each fully paid		32,45,680		32,45,680
<b>b) Non Trade Investments</b>				
T & T Motors Ltd. 83,333 Equity Shares of ₹ 10/- each fully paid		13,74,990		13,74,990
Caparo Power Ltd. 11,47,134 Equity Shares of ₹ 10/- each fully paid		1,14,71,340		-
2,54,920, 2% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up		25,49,200		-
<b>Mutual Funds</b>				
1,00,000 units of ₹ 10/- SBI Infrastructure Fund-1-Growth		10,00,000		10,00,000
Proportionate consolidation eliminations		(4,80,00,000)		(4,80,00,000)
<b>TOTAL</b>		<b>2,46,91,210</b>		<b>56,20,670</b>
<b>Notes:</b>				
— Book Value of unquoted Investments		2,46,91,210		56,20,670
— Net Asset value of Mutual Funds		7,81,000		9,37,000
<b>13. LONG TERM LOANS AND ADVANCES :</b>				
<b>Unsecured , Considered good</b>				
— Capital Advances		1,24,57,235		1,04,76,540
— Security Deposits		70,64,187		74,82,939
— Advance Tax (Net of Provision)		35,59,879		45,02,947
— MAT Credit Entitlement		6,14,84,626		4,47,34,626
— Inter Corporate Deposit		30,00,000		-
<b>TOTAL</b>		<b>8,75,65,927</b>		<b>6,71,97,052</b>
<b>14. OTHER NON-CURRENT ASSETS</b>				
Bank Deposits with more than 12 months maturity (Under Lien with Bank)		11,90,476		-
		<b>11,90,476</b>		<b>-</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012	As at March 31, 2011
	₹	₹
<b>15. CURRENT INVESTMENTS</b>		
<b>Investment in Mutual Funds</b>		
HDFC CMF- Treasury Advantage Plan-Wholesale-Dividend Reinvested		
Opening Balance of 22,07,294.198 units of ₹ 10.0315	88,56,989	88,56,989
Add: Dividend received reinvested (1,42,547.579 units @ ₹ 10.0315)	5,71,986	-
	<u>94,28,975</u>	<u>88,56,989</u>
Less: 23,49,841.777 units sold @₹ 10.0315	94,28,975	-
	<u>-</u>	<u><b>88,56,989</b></u>
	<u><u>-</u></u>	<u><u><b>88,56,989</b></u></u>
<b>16. INVENTORIES:</b>		
(Taken, valued and certified by the Management at lower of cost or net realisable value unless otherwise stated)		
Raw Material (Includes in transit ₹ 8,12,91,556)		
Previous year ₹ 5,24,74,329)	35,64,51,954	30,34,31,675
Work in Progress	26,65,71,064	22,26,52,863
Finished Goods	19,23,24,500	17,50,99,600
Stock in Trade	18,68,855	-
Stores & Spares (Includes in transit ₹ 14,46,631)		
Previous year ₹ 6,32,957)	17,26,78,299	15,56,63,235
<b>TOTAL</b>	<u><b>98,98,94,672</b></u>	<u><b>85,68,47,373</b></u>
	<u><u><b>98,98,94,672</b></u></u>	<u><u><b>85,68,47,373</b></u></u>
<b>16.1 WORK IN PROGRESS CLASSIFICATION</b>		
Gaskets	16,93,90,163	9,71,20,331
Forgings	8,59,42,308	9,35,93,013
Sheet Metal & Rubber	1,12,38,592	3,19,39,519
<b>TOTAL</b>	<u><b>26,65,71,064</b></u>	<u><b>22,26,52,863</b></u>
	<u><u><b>26,65,71,064</b></u></u>	<u><u><b>22,26,52,863</b></u></u>
<b>17. TRADE RECEIVABLES:</b>		
<b>Unsecured:</b>		
Outstanding for a period exceeding six months		
— Considered good	3,00,10,245	2,72,61,074
— Considered doubtful	61,66,074	57,49,356
	<u>3,61,76,319</u>	<u>3,30,10,430</u>
Others : Considered good	68,65,69,509	63,06,47,882
	<u>72,27,45,828</u>	<u>66,36,58,312</u>
Less : Provision for Doubtful Trade Receivables	61,66,074	57,49,356
<b>TOTAL</b>	<u><b>71,65,79,754</b></u>	<u><b>65,79,08,956</b></u>
	<u><u><b>71,65,79,754</b></u></u>	<u><u><b>65,79,08,956</b></u></u>

# Talbro Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>18. CASH AND BANK BALANCES :</b>				
<b>(a) Cash and Cash Equivalents</b>				
— Balances with Banks		3,50,22,932		2,12,40,284
— Cash on hand		31,15,835		16,96,970
		<u>3,81,38,767</u>		<u>2,29,37,254</u>
<b>(b) Other Bank Balances</b>				
— Margin Money (pledged with banks)		97,15,431		1,31,20,178
— Bank Deposits		2,61,12,611		1,95,00,609
— Earmarked balances with Banks for Unclaimed Dividend		17,37,100		16,96,254
		<u>3,75,65,142</u>		<u>3,43,17,041</u>
<b>TOTAL</b>		<b><u>7,57,03,909</u></b>		<b><u>5,72,54,295</u></b>
<b>19. SHORT TERM LOANS AND ADVANCES :</b>				
Unsecured Considered good, Unless otherwise stated				
Loans & Advances to related parties		1,26,32,232		1,07,53,357
Inter Corporate Deposits		6,20,00,000		7,35,50,000
Advances recoverable in kind or for value to be received				
— Considered good	5,69,96,197		6,71,68,749	
— Considered doubtful	57,50,000		37,50,000	
	<u>6,27,46,197</u>		<u>7,09,18,749</u>	
Less : Provision for Doubtful Advances	57,50,000	5,69,96,197	37,50,000	6,71,68,749
Balances with Central Excise & Custom Authorities		10,25,32,245		9,78,54,823
Security Deposit		2,14,400		1,32,000
Claim Receivables		11,68,815		15,90,993
<b>TOTAL</b>		<b><u>23,55,43,889</u></b>		<b><u>25,10,49,922</u></b>
<b>19.1 SHORT TERM LOANS AND ADVANCES TO RELATED PARTIES</b>				
— QH Talbro Ltd.		1,11,21,188		1,07,53,357
— Magneti Marelli Talbro Chassis Systems Private Limited		15,11,044		-
<b>TOTAL</b>		<b><u>1,26,32,232</u></b>		<b><u>1,07,53,357</u></b>
<b>20. OTHER CURRENT ASSETS :</b>				
Interest Accrued on Deposits		58,28,821		87,60,174
<b>TOTAL</b>		<b><u>58,28,821</u></b>		<b><u>87,60,174</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

	As at March 31, 2012	As at March 31, 2011
	₹	₹
<b>21. REVENUE FROM OPERATIONS :</b>		
a) Sale of Products	3,89,03,41,497	3,40,62,51,923
b) Sale of Services	3,12,03,444	3,34,35,410
c) Other Operating Revenues	14,43,97,082	6,30,14,213
	<u>4,06,59,42,023</u>	<u>3,50,27,01,546</u>
d) Less: Excise Duty	31,14,71,637	29,38,24,031
<b>TOTAL</b>	<b><u>3,75,44,70,386</u></b>	<b><u>3,20,88,77,515</u></b>
<b>22. OTHER INCOME:</b>		
a) Interest Income	1,24,76,887	1,24,05,008
b) Dividend from Long Term Investments	2,50,58,558	2,49,38,788
c) Profit on sale of Fixed Assets (Net)	—	11,35,638
d) Other non-operating income	18,61,425	1,17,59,658
<b>TOTAL</b>	<b><u>3,93,96,870</u></b>	<b><u>5,02,39,092</u></b>
<b>23. COST OF RAW MATERIALS CONSUMED:</b>		
a) Cost of Raw Materials consumed	2,16,33,02,607	1,84,37,90,896
<b>TOTAL</b>	<b><u>2,16,33,02,607</u></b>	<b><u>1,84,37,90,896</u></b>
a (i) <b>Cost of Raw Materials consumed under broad heads</b>		
Tinplate/P.C.R.C.A/Steel	42,80,13,737	40,27,69,816
Joining	59,64,73,033	42,01,38,057
Forging Steels	41,56,20,405	35,48,76,125
Bought Out of auto components & parts	20,53,32,395	19,65,05,380
Others	51,78,63,037	46,95,01,518
	<u>2,16,33,02,607</u>	<u>1,84,37,90,896</u>
(b) <b>Purchases of Stock-in -Trade</b>		
Dyna Bond	1,60,94,770	—
<b>TOTAL</b>	<b><u>1,60,94,770</u></b>	<u>—</u>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK-IN-TRADE :</b>		
a) <b>Manufactured Goods :</b>		
Auto Components & Parts		
<b>Closing Stock</b>		
Finished Goods	19,23,24,500	17,50,99,600
Work-In-Progress	26,65,71,064	22,26,52,863
<b>TOTAL</b>	<b><u>45,88,95,564</u></b>	<b><u>39,77,52,463</u></b>
Less :		
<b>Opening Stock</b>		
Finished Goods	17,50,99,600	11,23,51,807
Work-In-Progress	22,26,52,863	17,95,47,138
	<u>39,77,52,463</u>	<u>29,18,98,945</u>
Changes in Inventories of Finished Goods and Work in Progress	6,11,43,101	10,58,53,518
b) <b>Traded Goods :</b>		
Closing Stock	18,68,855	—
Opening Stock	—	—
Changes in Inventories Stock in Trade	18,68,855	—
<b>TOTAL</b>	<b><u>6,30,11,956</u></b>	<b><u>10,58,53,518</u></b>

# Talbro Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012		As at March 31, 2011	
	₹	₹	₹	₹
<b>25. EMPLOYEE BENEFITS EXPENSE</b>				
a) Salaries and Wages		35,46,91,034		31,10,04,654
b) Contribution to Provident and other Funds		2,30,59,347		3,33,38,036
c) Staff Welfare Expenses		2,99,77,258		2,51,81,785
<b>TOTAL</b>		<b>40,77,27,639</b>		<b>36,95,24,475</b>
<b>26. FINANCE COSTS :</b>				
a) Interest Expenses		18,37,80,540		14,67,27,797
b) Other Borrowing Costs		1,53,17,910		1,95,88,285
<b>TOTAL</b>		<b>19,90,98,450</b>		<b>16,63,16,082</b>
<b>27. DEPRECIATION AND AMORTISATION EXPENSE :</b>				
a) Depreciation	10,56,66,135		9,85,36,113	
Less:- Transfer from Revaluation Reserve	85,915	10,55,80,220	95,460	9,84,40,653
b) Amortisation		67,04,084		96,50,142
<b>TOTAL</b>		<b>11,22,84,304</b>		<b>10,80,90,795</b>
<b>28. OTHER EXPENSES :</b>				
Consumption of Stores & Spares parts		20,05,61,917		20,09,33,052
Labo,ur & Processing Charges		5,00,90,974		4,37,83,091
Power & Fuel		16,87,21,492		13,56,97,971
Rent		14,70,520		34,49,367
Repairs to Buildings		62,12,529		75,05,723
Repairs to Plant & Machinery		3,75,36,558		3,66,57,585
Repairs to other Assets		82,15,217		56,37,406
Insurance		75,32,193		48,81,737
Travelling,Tour & Conveyance		5,18,25,017		4,82,11,426
Discount on Sales		4,12,32,508		4,26,65,944
Sales Promotion Expenses		2,79,22,276		3,09,63,128
Packing, Freight & Forwarding		9,28,77,981		7,74,77,750
Rates and Taxes		15,27,412		18,86,184
Remuneration to Auditors		10,98,500		11,42,750
Provision for Doubtful Receivables /Advances		24,16,718		-
Loss on Sale of Fixed Assets		28,20,487		44,440
Excise Duty on Increase/Decrease of Finished Goods		36,16,165		57,25,671
Net Loss on Foreign Currency Transactions & Translation		90,29,888		37,49,664
Miscellaneous Expenses		8,85,33,489		8,73,00,137
<b>TOTAL</b>		<b>80,32,41,841</b>		<b>73,77,13,026</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 29. PRINCIPLES OF CONSOLIDATION :

- a) The Consolidation of accounts is prepared in accordance with the requirement of Accounting Standard (AS-27) "Financial Reporting of Interest in Joint Venture" issued by 'The Institute of Chartered Accountants of India'.

The Consolidated Financial Statements (CFS) comprise of the financial statements of Talbros Automotive Components Ltd. and its interest in Joint Venture as on 31.03.2012, using proportionate consolidation method as per AS-27

#### Joint Venture

Name of the Company	Nippon Leakless Talbros Pvt. Ltd.
Status	Audited
Country of Incorporation	India
Ownership Interest	40%
Financial Statements As on	31.03.2012

- b) The Consolidated Financial Statements have been prepared using uniform accounting policies, in accordance with the Generally Accepted Accounting Principles.
- c) Aggregate amount of Company's interest in Joint Venture as per accounts is as under:-

	2011-12 ( ₹ )	2010-11 ( ₹ )
i) Total Assets	14,25,54,166	12,50,75,700
ii) Total Liabilities	14,25,54,166	12,50,75,700
iii) Total Incomes	29,67,82,710	23,38,64,952
iv) Total Expenses	25,92,51,117	20,30,88,634

### 30. CONTINGENT LIABILITIES AND COMMITMENTS:

(to the extent not provided for)

#### 30.1 CONTINGENT LIABILITIES

- i) Claims against the Company not acknowledged as debts:

Amount in ₹

NATURE OF DUES	As at March 31, 2012			As at March 31, 2011
	Talbros Automotive Components Ltd	Joint Venture	Total	
(a) Central Excise Classification of paper gasket	14,17,866	-	14,17,866	14,17,866
(b) Service Tax Cenvat credit	73,38,232	-	73,38,232	61,18,185
(c) Central Sales Tax Central Sales Tax	18,94,185	-	18,94,185	1,19,180
(d) Haryana Value Added Tax Disallowing input tax	2,73,548	-	2,73,548	2,73,548
(e) Central Excise Demand on Assessable value (Ex)	54,26,357	-	54,26,357	42,95,902
(f) E.S.I ESI Demand (Includes ₹ 4,34,130 paid under protest	41,29,111	-	41,29,111	41,29,111
(g) Income Tax Disallowances	4,47,739	-	4,47,739	4,47,739
(h) Demand from HSIDC Demands for enhancement of land cost by HSIDC	1,29,47,554	-	1,29,47,554	1,29,47,554
(i) High Court, Mumbai Fees for building work	2,05,000	-	2,05,000	2,05,000
(j) Income Tax Management Fee	-	68,18,508	68,18,508	-
(k) Central Excise Cenvat Credit Disallowed	-	8,38,071	8,38,071	8,38,071
<b>Total</b>	<b>3,40,79,592</b>	<b>76,56,579</b>	<b>4,17,36,171</b>	<b>3,07,92,156</b>

- ii) Guarantees executed in favour of various authorities/Customers/Others

Amount in ₹

Talbros Automotive Components Ltd	Joint Venture	Total
2,82,44,065	-	2,82,44,065
(36,47,945)	-	(3,647,945)

# Talbro Automotive Components Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- iii) Corporate Guarantee executed in favour of ICICI Bank Ltd. amounting to ₹ 9.86 Crore (USD 1.91 Millions) {Previous Year Rs.8.64 Crore (USD 1.91 Millions)} against term borrowing of QH Talbro Ltd., an Associate Company, the outstanding as on March 31, 2012 is ₹ 4.93 Crore (USD 9,55,000.12)

iv) **Bills discounted with Banks**

Amount in ₹

Talbro Automotive Components Ltd	Joint Venture	Total
1,80,77,110	—	1,80,77,110
(2,65,96,629)	—	(2,65,96,629)

**30.2 Estimated amount of Contracts remaining to be executed on Capital Account and not provided for :**

Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances)

Amount in ₹

Talbro Automotive Components Ltd	Joint Venture	Total
1,97,07,862	4,20,516	2,01,28,378
(1,07,92,476)	(1,072,219)	(1,18,64,695)

**Note :** Figures in bracket are previous year's figures.

- 31 Pursuant to the notification dated March 31, 2009 issued by the Ministry of Corporate affairs, the Company has exercised the option available under the newly inserted paragraph 46 to the Accounting Standard AS-11 "The Effect of Changes in Foreign Exchange Rates" to add or deduct the foreign Exchange fluctuation to Capital cost of the Assets. As a result, the exchange gain of ₹ Nil (Previous Year ₹ 0.23 lacs) during the year has been deducted from the cost of the fixed assets.

**32 SEGMENT REPORTING - AS-17 :**

a) **Primary Segment :**

The Company's operations comprise of two segments viz, "Auto Components & Parts" and "IT Activities". In terms of the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", IT Activities segment does not fall within the purview of Reportable Segments .

b) **Secondary Segment :**

The company caters to the needs of the Indian as well as foreign market. The risk and returns vary from country to country and export to none of the countries exceeds 10% of the sales turnover of the Company. Hence it is not reportable.

**33 RELATED PARTY DISCLOSURE**

As per the Accounting Standard (AS-18) Related Party Disclosures issued by the Institute of Chartered Accountants of India, the Company's related parties are as follows :-

a) **Relationship**

i) **Associates**

QH Talbro Ltd.,  
Talbro International Ltd.

ii) **Joint Venture Co. of Talbro Automotive Components Ltd.**

Magneti Marelli Talbro Chassis Systems Pvt. Ltd.

iii) **Holding Company of Joint Venture**

Nippon Leakless Corporation , Japan

iv) **Key Management personnel (Whole time Directors)**

— of Talbro Automotive Components Ltd.  
Mr. Umesh Talwar, Mr. Varun Talwar

— of Joint Venture Company (Nippon Leakless Talbro Pvt. Ltd.)  
Mr. Kiyoyuki Saito, Mr. Koji Homma

v) **Relatives of Key Management Personnel**

Mr. Anuj Talwar, Son of Mr. Umesh Talwar

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

- b) Balances as at the year end and transactions carried out during the year with related parties in the ordinary course of business are as follows:

Nature of Transactions	Joint Venture (Magneti Marelli Talbro's Chassis Systems Pvt. Ltd.)	Associates (QH Talbro's Ltd.)	Total
Sale of products	-	59,09,57,828 (58,94,14,646)	59,09,57,828 (58,94,14,646)
Trade Receivables	-	17,80,72,418 (17,29,41,155)	17,80,72,418 (17,29,41,155)
Other Receivables	15,11,044	1,11,21,188	1,26,32,232
Purchase of goods	-	(1,07,53,357)	(1,07,53,357)
Dividend Income	-	1,93,09,840 (2,12,33,840)	1,93,09,840 (2,12,33,840)
Investment in Equity Share Capital during the year	50,000	4,44,905 (4,44,905)	4,44,905 (4,44,905)
Investment in Share Application Money during the year	50,00,000	-	50,00,000
	-	-	-
	-	-	-
Transactions with Key Management Personnel and their Relatives	Key Management Personnel	Relatives of Key Management Personnel	Total
Remuneration Paid	95,70,838 (83,89,396)	46,54,744 (23,76,544)	1,42,25,582 (1,07,65,940)

- 34 Letters seeking confirmation of outstanding balances at year end have been sent to all the customers / suppliers / recoverables. Confirmations have been received in few cases. Adjustments, if any, will be made in the current year on receipt / reconciliation of remaining confirmations.

**35 Earnings Per Share :**

Basic Earnings per share		2011-12	2010-11
a)	Calculation of weighted average number of Equity Shares		
	Number of equity shares at the beginning of the year	1,23,45,630	1,23,45,630
	Number of equity shares at the end of the year	1,23,45,630	1,23,45,630
	Weighted average number of equity shares outstanding during the year	1,23,45,630	1,23,45,630
b)	Net Profit after tax available for equity share holders	14,37,88,698	12,58,86,842
c)	Basic earning per share (Face value of ₹ 10 each)	11.65	10.20
Diluted Earnings per share			
a)	Calculation of weighted average number of equity shares		
	Number of equity shares at the beginning of the year	1,23,45,630	1,23,45,630
	Number of equity shares at the end of the year	1,23,45,630	1,23,45,630
	Weighted average number of equity shares outstanding during the year	1,23,45,630	1,23,45,630
b)	Net Profit after tax available for equity share holders	14,37,88,698	12,58,86,842
c)	Diluted earning per share (Face value of ₹10 each)	11.65	10.20

- 36 Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Consequently, the Company has reclassified previous year figures to conform to this year's classification.

<b>(SEEMA NARANG)</b> Company Secretary	<b>(R.P. GROVER)</b> CFO	<b>(VARUN TALWAR)</b> Joint Managing Director	<b>(UMESH TALWAR)</b> Vice Chairman & Managing Director	AS PER OUR REPORT OF EVEN DATE For <b>S.N. DHAWAN &amp; CO.</b> Chartered Accountants Firm Regn. No.: 000050N
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**(SURESH SETH)**  
Partner  
M. NO. F-10577

Place : Gurgaon  
Dated : 29.05.2012

# TALBROS AUTOMOTIVE COMPONENTS LIMITED

Registered Office: 14/1, Delhi Mathura Road,  
Faridabad - 121 003 (Haryana)

## PROXY FORM

I/We.....being member(s) of TALBROS AUTOMOTIVE COMPONENTS LIMITED hereby appoint Mr./Miss/Mrs.....of failing him/her Mr./Miss/Mrs.....as my/our Proxy to attend and vote for me/us and on my/our behalf, at the 55th Annual General Meeting of the Company, to be held on Monday the 3rd September, 2012 and at any adjournment thereof.

Signed.....of.....2012

Member(s) Name(s).....  
(in BLOCK LETTERS)

Folio No..... No. of Shares.....

DPID No..... Client ID No.....

Affix  
₹ 1/-  
Revenue  
Stamp

### Note :

1. The Proxy Form must be deposited at the Registered Office of the company not less than 48 hours before the time fixed for holding the meeting.
2. A proxy need not be a Member of the Company.

### FOR OFFICE USE ONLY

S.No..... Date of Receipt.....Time of Receipt.....

# TALBROS AUTOMOTIVE COMPONENTS LIMITED

Registered Office: 14/1, Delhi Mathura Road,  
Faridabad - 121 003 (Haryana)

## 55TH ANNUAL GENERAL MEETING ADMISSION SLIP

Folio No.....

DPID No.....

No. Of Shares.....

Client No.....

Name of the Member (in BLOCK LETTERS)..... I declare that I am Registered Shareholder/Proxy/Representative. I hereby record my presence at the 55th Annual General Meeting of the company at Hotel ATRIUM, Shooting Range Road, Suraj Kund, Faridabad - 121 001 (Haryana) at 10.30 A.M. on Monday 3rd September, 2012.

Member's Signature

Name of Proxy/Representative  
(in Block Letters)

Proxy/Representative  
Signature

**Note :** A Member/Proxy/Representative attending the meeting must fill this Admission Slip and hand it over at the entrance.

## BOOK POST

If undelivered, return to:



Talbros Automotive  
Components Ltd.

14/1, Mathura Road  
Faridabad - 121 003  
Haryana, India  
Phone: +91-129-227 5434, 5435, 5436  
Fax: +91-129-227 7240, 227 2263  
E-mail: [talbros@talbros.com](mailto:talbros@talbros.com)  
Website: [www.talbros.com](http://www.talbros.com)