

56th Annual Report
2012-2013



Talbro's Automotive Components Ltd.

Gaskets • Forgings

BOARD OF DIRECTORS

MR. NARESH TALWAR (Chairman)
MR. UMESH TALWAR (Vice Chairman & Managing Director)
MR. VARUN TALWAR (Joint Managing Director)
MR. ANUJ TALWAR (Executive Director)
MR. ANIL KUMAR MEHRA
MR. RAJIVE SAWHNEY
MR. V. MOHAN
MR. AMIT BURMAN
MR. NAVIN JUNEJA
MR. RAJEEV RANJAN VEDERAH

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

141/1, DELHI MATHURA ROAD,
FARIDABAD - 121 003 (HARYANA)

HEAD OFFICE

1411, NICHOLSON ROAD
KASHMERE GATE, DELHI - 110 006

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,
PIMPEI, 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)

IT DIVISION

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

MATERIAL DIVISION

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

Contents	Page No.
Notice	1-8
Directors' Report	9-12
Management Discussion & Analysis Report	13
Corporate Governance Report	14-21
Auditors' Report	23-25
Balance Sheet	26
Statement of Profit & Loss	27
Cash Flow Statement	28
Notes	29-46
Auditors' Report on Consolidated Financial Statement	48
Consolidated Balance Sheet	49
Consolidated Statement	50
Consolidated Cash Flow Statement	51
Consolidated Notes	52-66
Proxy Form	67

TALBROS AUTOMOTIVE COMPONENTS LIMITED
Registered Office: 14/1, Delhi-Mathura Road
Faridabad-121003, Haryana

NOTICE

NOTICE is hereby given that the 56th Annual General Meeting of the members of **Talbros Automotive Components Limited** will be held on Monday the 16th day of the September, 2013 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, 2013, 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, 2013.
3. To appoint a Director in place of Mr. V. Mohan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Navin Juneja, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Statutory Auditors of the Company for the financial year 2013-14 to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting 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 reappointment. M/s. R. Sundaraman & Co., Chartered Accountants, Chennai and M/s. CMRS & Associates, Chartered Accountants, Pune also the retiring Auditors of the Company's Chennai & Pune Branches respectively, are eligible and offer themselves for reappointment.

SPECIAL BUSINESS

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

RESOLVED THAT Mr. R.R. Vederah, who was appointed as an Additional Director of the Company on February 13, 2013 under Section 260 of the Companies Act, 1956 by the Board of Directors and whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

RESOLVED THAT in compliance with the approval granted by the Regional Director, Ministry of Corporate Affairs pursuant to Section 297 of the Companies Act, 1956 vide approval letter no. 4/517/T-1/2012/D/10331 dated February 12, 2013 post facto approval of the members be and is hereby given to the Company for entering into a Contract for providing Management Support Services to Talbros Marugo Rubber Private Limited for a period from January 01, 2013 to March 31, 2015 as per the terms and conditions set out in the Contract entered into with Talbros Marugo Rubber Private Limited and approved by the Regional Director.

RESOLVED FURTHER THAT it is hereby confirmed that:

- (a) the Contract entered into with Talbros Marugo Rubber Private Limited is competitive, at an arm's length, without conflict of interest and is not less advantageous to it as compared to similar Contracts with other parties and the Company has not made any default u/s 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheets and Annual Returns with the Registrar of Companies;
- (b) the Contract is falling within the provisions of Section 297 of the Act and provisions of Sections 198, 269, 309, 314 and 295 are not applicable to this Contract; and
- (c) the Company and its Directors have complied with the provisions of Sections 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to this Contract.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds or things as may be necessary to give effect to the above resolution subject to the compliance of terms of the said approval letter.

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

RESOLVED THAT in compliance with the approval granted by the Regional Director, Ministry of Corporate Affairs pursuant to Section 297 of the Companies Act, 1956 vide approval letter no. 4/ 523/T-1/2012/D/10688 dated February 13, 2013 post facto approval of the members be and is hereby given to the Company for entering into a Contract with Talbros Marugo Rubber Private Limited for Sale/purchase of rubber, rubber compound, dust covers, bushes, other chemicals, consumables components, parts and to do job work for each other for a period from January 01, 2013 to March 31, 2015 as per the terms and conditions set out in the Contract entered into with Talbros Marugo Rubber Private Limited and approved by the Regional Director.

RESOLVED FURTHER THAT it is hereby confirmed that:

- (a) the Contract entered into with Talbros Marugo Rubber Private Limited is competitive, at an arm's length, without conflict of interest and is not less advantageous to it as compared to similar Contracts with other parties and the Company has not made any default u/s 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheets and Annual Returns with the Registrar of Companies;
- (b) the Contract is falling within the provisions of section 297 of the Act and provisions of Sections 198, 269, 309, 314 and 295 are not applicable to this Contract; and
- (c) the Company and its Directors have complied with the provisions of Sections 173, 287, 299, 300, 301 and other applicable provisions of the Companies Act, 1956 with regard to this Contract.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds or things as may be necessary to give effect to the above resolution subject to the compliance of terms of the said approval letter.

Talbro Automotive Components Limited

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

RESOLVED THAT in supersession of the resolution passed by the shareholders in the 55th Annual General Meeting held on September 03, 2012 and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such sanctions, approvals and permission(s) as may be required and subject to such conditions as may be imposed by any authority while granting such sanctions, approvals and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board) approval and consent of the Company be and is hereby accorded for reappointment of Mr. Umesh Talwar as Vice Chairman & Managing Director of the Company for a period of three years with effect from 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 house maintenance allowance, Medical Reimbursement, Leave Travel Concession, Club Fees etc. to a maximum of ₹ 10,000/- per month.

2. Perquisites & Allowances in addition to the above:

- (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 e.g. coverage under Companies Group Medclaim Policy and Personal Accident Policy etc. the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

3. Other Benefits:

- (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.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify, change, substitute, consolidate, delete and/or revise all the terms and conditions

including as to remuneration, designation of the said appointment in any manner within the permissible limits and from time to time, as the Board may in its absolute discretion decide.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required to give effect to the aforesaid resolutions.

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

RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions and approvals as may be required, Mr. Varun Talwar be and is hereby reappointed as a Whole time Director with the designation of the Joint Managing Director of the Company for a period of three years with effect from September 01, 2013 not liable to retire by rotation on the followings terms and conditions, 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 Joint Managing Director of the Company.

1. Remuneration:

- (a) Basic Salary of ₹ 1,70,000/- per month.
- (b) House Rent Allowance @ 70% of the Basic Salary i.e. ₹ 1,19,000/- per month.
- (c) Perquisites such as house maintenance allowance, Medical Reimbursement, Leave Travel Concession, Club Fees etc. to a maximum of ₹ 11,000/- per month.

2. Perquisites & Allowances in addition to the above:

- (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 e.g. coverage under Companies Group Medclaim Policy and Personal Accident Policy etc. and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

3. Other Benefits:

- (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 Joint Managing Director while on business tours in India and abroad to be borne by the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify, change, substitute, consolidate, delete and/or revise all the terms and conditions including as to remuneration, designation of the said appointment in any manner within the permissible limits and from time to time, as the Board may in its absolute discretion decide.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required to give effect to the aforesaid resolutions.

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

RESOLVED THAT in supersession of the resolution passed by the shareholders in the 55th Annual General Meeting held on September 03, 2012 and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to such sanctions, approval and permission(s) as may be required and subject to such conditions as may be imposed by any authority while granting such sanctions, approvals and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board) approval and consent of the Company be and is hereby accorded for the appointment of Mr. Anuj Talwar as an Executive Director of the Company for a period of three years with effect from August 14, 2012, liable to retire by rotation on the followings terms and conditions, 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 Executive Director of the Company.

1. Remuneration:

- (a) Basic Salary of ₹ 1,70,000/- per month.
- (b) House Rent Allowance @ 70% of the Basic Salary i.e. ₹ 1,19,000/- per month.
- (c) Perquisites such as house maintenance allowance, Medical Reimbursement, Leave Travel Concession, Club Fees etc. to a maximum of ₹ 11,000/- per month.

2. Perquisites & Allowances in addition to the above:

- (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 e.g. coverage under Companies Group Mediclaim Policy and Personal Accident Policy etc the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

3. Other Benefits:

- (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 Executive Director while on business tours in India and abroad to be borne by the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify, change, substitute, consolidate, delete and/or revise all the terms and conditions including as to remuneration, designation of the said appointment in any manner within the permissible limits and from time to time, as the Board may in its absolute discretion decide.

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

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required to give effect to the aforesaid resolutions.

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

**Seema Narang
Company Secretary**

Place : New Delhi
Date : May 28, 2013

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) Members/proxies are requested to bring duly filled attendance slips sent along with the Annual Report to the meeting.
- 3) Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
- 4) The Register of Members and Share Transfer Books will remain closed from September 09, 2013 to September 16, 2013 (both days inclusive), in terms of the provisions of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges where the shares of the Company are listed.
- 5) Members are once again informed that in terms of Sections 205A and 205C of the Companies Act, 1956, dividend which remain unclaimed / unencashed for a period of 7 years are to be transferred by the Company to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. No claim lies against the Company or IEPF, for unclaimed / unencashed dividend amount, if any, upon transfer.

Accordingly, all dividend declared upto Financial Year 2004-05 (Final) which remained unclaimed/ unencashed, have already been transferred to the IEPF.

Talbro Automotive Components Limited

6) 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, 2006 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 2005-06 have been notified in this connection.

- 8) Dividend on Equity Shares for the financial year ended March 31, 2013, if declared at the Annual General Meeting, shall be paid to those Members whose names (in case of shares held in electronic form) appear as Beneficial Owners as at close of business hours on Monday, September 16, 2013 and for shares held in physical form, whose names appear in the Register of Members on the date of the Annual General Meeting.
- 9) **Queries, if any, regarding accounts and operations of the Company may please be sent to the Company Secretary at the Registered Office at least 10 days before the date of the Annual General Meeting so as to enable the Company to keep the information ready at the meeting.**
- 10) 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.
- 11) 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 M/s. 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.
- 12) **Members are requested to immediately notify the Company about their change of address, mandate, bank particulars etc. To ensure prompt action, Members are requested to clearly mention their Registered Folio Number in every correspondence with the Company. In case the shares are held in dematerialised form, the above mentioned intimation is to be forwarded to the respective Depository Participant so that they can get the copies of correspondence etc. sent by the Company via email.**
- 13) 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.

By Order of the Board
For Talbro Automotive Components Limited

Seema Narang
Company Secretary

Place : New Delhi
Date : May 28, 2013

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

Item No 6.

The Board of Directors of the Company appointed Mr. R.R. Vederah as an Additional Director effective from February 13, 2013. According to the provisions of Section 260 of the Companies Act, 1956, Mr. R.R. Vederah holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. R. R. Vederah as a Director along with a deposit of ₹ 500.

Mr. Vederah, aged 64 years is an Engineer from IIT, New Delhi and a Master of Sciences in Chemical Engineering from University of Ashton (U.K.) and has 43 years of rich and varied experience.

Your Directors recommend the Ordinary Resolution set out at Item No. 6 of the Notice for your approval.

None of the Directors of the Company, except Mr. R.R. Vederah, is concerned with or interested in the proposed Resolution.

Item No 7 & 8.

Pursuant to the provisions of Section 297 of the Companies Act, 1956, Company has to obtain prior approval of the Regional Director, Ministry of Corporate Affairs for entering into a Contract with another Company for sale, purchase or supply of any goods or services in case both the Companies have common Directors.

In order to follow a lean management structure, minimize the administrative overheads, other related costs and to avoid unnecessary duplication of facilities, as well as to meet eventuality of break down at any of the Companies, the Board of Directors in its meeting held on November 08, 2012 decided to enter into two Contracts with Joint Venture Company Talbro Marugo Rubber Private Limited as under:

- (i) for providing Management Support Services for a period from January 01, 2013 to March 31, 2015; and
- (ii) for sale/purchase of Rubber, Rubber Compound, Dust Covers, Bushes, other chemicals, consumables components and parts and to do job work for each other for a period from January 01, 2013 to March 31, 2015

subject to necessary approvals in this regard.

Mr. Varun Talwar and Mr. Anuj Talwar, Directors of the Company are also the Directors of Talbro Marugo Rubber Private Limited (Contractee Company) and therefore above mentioned Contracts attract the provisions of Section 297 of the Companies Act, 1956. The Company submitted applications under Section 297 to the Central Government (power delegated to Regional Director, Ministry of Corporate Affairs, Noida) for entering into Contracts with Talbro Marugo Rubber Private Limited

The Regional Directors in its approvals for the said Contracts had, inter-alia, prescribed the Company to place the Contracts in the next Annual General Meeting of the Shareholders for their post facto approvals.

The Special Resolutions at Item No. 7 and 8 are recommended for approval of the members

The Contracts and the Regional Director approvals, referred to in resolution no. 7 and 8 would be available for inspection by the members 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.

None of the Directors of the Company except Mr. Varun Talwar and Mr. Anuj Talwar are concerned or interested in the above resolutions.

Item No 9, 10 and 11.

In the 55th Annual General Meeting of the Company held on September 03, 2012, Mr. Umesh Talwar was appointed as Vice Chairman & Managing Director of the Company for a period of five years w.e.f. April 01, 2012 on payment of specified remuneration w.e.f.

Also Mr. Anuj Talwar was appointed as Executive Director of the Company for a period of three years w.e.f. August 14, 2012. Further the payment of remuneration of Mr. Anuj Talwar was approved by the shareholders of the Company through Postal Ballot.

The Company had applied to Central Government vide SRN B67872747 dated February 14, 2013 and SRN B67936005 dated February 15, 2013 for approval of appointment and payment of specified remuneration as minimum remuneration to Mr. Umesh Talwar and Mr. Anuj Talwar under provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

After going through application, Central Government advised the Company to produce a modified members' resolution and explanatory statement thereof in order to enable it to further process the application for payment of specified remuneration. Hence the special resolutions at item no 9 and 11 are proposed for the consideration and approval of the members.

In the 51st Annual General Meeting of the Company held on September 29, 2008, the Members had approved the appointment of Mr. Varun Talwar as a Whole Time Director of the Company for a period of 5 years w.e.f. September 01, 2008. Therefore Mr. Varun Talwar holds the office of Whole Time Director upto August 31, 2013. Board of Directors in its meeting held on May 28, 2013, had reappointed him as Whole Time Director with the designation of Joint Managing Director of the Company for a further period of three years with effect from September 01, 2013, subject to the approval of members of the Company in the ensuing Annual General Meeting.

Accordingly the resolution at item no. 10 is proposed for reappointment of Mr. Varun Talwar.

The Board of Directors has approved in its meeting held on May 28, 2013, the remuneration as mentioned in the proposed resolutions at item no. 9, 10 and 11 as minimum remuneration payable to Mr. Umesh Talwar, Mr. Varun Talwar and Mr. Anuj Talwar respectively, in case of loss or inadequate profits for a period of three years as detailed in the above resolution.

As per the requirements of Paragraph 1(C) of Section - II of Part - II of Schedule XIII of the Companies Act, 1956, a Special Resolution is required to be passed at General Meeting of the members for payment of managerial remuneration. Therefore consent and approval of members by way of Special Resolution is sought for payment of remuneration to Mr. Umesh Talwar, Mr. Varun Talwar and Mr. Anuj Talwar for a period of three years as detailed in the respective resolutions.

The Directors feel that their appointments would be in the interest of the Company.

None of the Directors of the Company except Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. Varun Talwar and Mr. Anuj Talwar is concerned or interested in the proposed resolutions.

This may also be treated as memorandum pursuant to Section 302 of the Companies Act, 1956.

As required by proviso (iv) of Paragraph 1(C) of Section - II of Part - II of Schedule - XIII of the Companies Act, 1956, a statement of information is given below:

(I) General Information:					
Nature of Industry	Manufacturing Auto Components				
Date of commencement of commercial operation	The Company was incorporated on September 08, 1956 and it has started its Commercial production long back in 1957.				
Financial Performance:	(₹ In Lakhs)				
Financial Parameters	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Turnover (₹ In Lakhs)	19,187.86	22,914.34	29,603.40	34,352.84	29,524.43
Net profit as per Statement of Profit and Loss	108.86	541.86	977.03	1,081.85	1,002.17
Amount of dividend paid	61.73	123.46	148.15	148.15	148.15
Rate of dividend declared (%)	5%	10%	10%	10%	10%
Export performance and net foreign exchange collaborations	₹ 5756.65 Lakhs				
Foreign technical collaborators, if any	<ul style="list-style-type: none"> - Federal Mogul Sealing System (Slough) UK, - Nippon Leakless Corporation Japan, - Presswerk Krefeld Gmbh & Co, KG (PWK) Germany - Sanwa Packaging Industry Co. Ltd., Japan 				
II. Information about the appointees:					
	Mr. Umesh Talwar	Mr. Varun Talwar	Mr. Anuj Talwar		
Background Details	Aged 62 years, Mr. Umesh Talwar has done B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur. He has more than 36 years of experience in the Automotive Components Industry. He has been associated with the Company since January 2000.	Aged 44 years, Mr. Varun Talwar has done BS in Business Administration from Drexel University, Philadelphia USA. He has more than 17 years of rich experience in the IT Sector, Auto Components and Health Care Industry. He has been associated with the Company since 2006.	Aged 32 years, Mr. Anuj Talwar has done Bachelor in Business Administration from college of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management. He has more than 9 years of experience in the Corporate Finance, Credit analysis and Auto Industry. He has been associated with the Company since 2008.		

Talbro Automotive Components Limited

Past remuneration (₹ Per annum)			
2010-11	39.37 Lakhs	33.61 Lakhs	Nil
2011-12	45.70 Lakhs	39.44 Lakhs	Nil
2012-13	45.87 Lakhs	39.44 Lakhs	24.97 Lakhs
Job profile and his suitability	Mr. Umesh Talwar is responsible for overall management and administration of the Company's operations subject to the superintendence, direction and control of the Board	Mr. Varun Talwar is responsible for day to day management and administration of the Forging plant of the Company at Bawal subject to the superintendence, direction and control of the Board.	Mr. Anuj Talwar is responsible for coordinating with Joint Venture Companies, particularly Magneti Marelli Talbro Chassis Systems Pvt. Ltd. and Talbro Marugo Rubber Pvt Ltd. as well as new business developments.
Remuneration proposed	As set out in the resolution at item no. 9 of this Notice. The remuneration to Managing Director has been approved by the Remuneration Committee in its meeting held on February 13, 2012.	As set out in the resolution at item no. 10 of this Notice. The remuneration to Joint Managing Director has been approved by the Remuneration Committee in its meeting held on May 28, 2013	As set out in the resolution at item no. 11 of this Notice. The remuneration to Executive Director has been approved by the Remuneration Committee in its meeting held on August 14, 2012.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	In view of the size of the Company, the qualification and experience of Mr. Umesh Talwar and the profile being handled by him, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial position in other Companies.	In view of the size of the Company, the qualification and experience of Mr. Varun Talwar and the profile being handled by him, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial position in other Companies.	In view of the size of the Company, the qualification and experience of Mr. Anuj Talwar and the profile being handled by him, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial position in other Companies.
Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Besides, the remuneration proposed, Mr. Umesh Talwar does not have any other pecuniary relationship with the Company.	Besides, the remuneration proposed, Mr. Varun Talwar does not have any other pecuniary relationship with the Company.	Besides, the remuneration proposed, Mr. Anuj Talwar does not have any other pecuniary relationship with the Company.
III. Other information:			
Reason for loss or inadequacy of profits	Due to slowdown of economy and partially due to slump sale of Stamping and Rubber business to two separate joint ventures Companies	Due to slowdown of economy and partially due to slump sale of Stamping and Rubber business to two separate joint ventures Companies.	Due to slowdown of economy and partially due to slump sale of Stamping and Rubber business to two separate joint ventures Companies.
Steps taken or proposed to be taken for improvement	To overcome the present economic situation the Company has, inter alia, taken following steps: <ul style="list-style-type: none"> The Company is exploring new markets/buyers in the international markets to increase the export sale. The Company is concentrating on the replacement market sale and has introduced new marketing strategies to it further. The Company has taken various initiatives to save on the cost so as to improve the profit margin. 	To overcome the present economic situation the Company has, inter alia, taken following steps: <ul style="list-style-type: none"> The Company is exploring new markets/buyers in the international markets to increase the export sale. The Company is concentrating on the replacement market sale and has introduced new marketing strategies to it further. The Company has taken various initiatives to save on the cost so as to improve the profit margin 	To overcome the present economic situation the Company has, inter alia, taken following steps: <ul style="list-style-type: none"> The Company is exploring new markets/buyers in the international markets to increase the export sale. The Company is concentrating on the replacement market sale and has introduced new marketing strategies to it further. The Company has taken various initiatives to save on the cost so as to improve the profit margin.

	The Company is targeting a growth of 9% in its turnover and about 50% jump in profits before tax over the previous year under the current depressed condition and even after transferring rubber business to its Joint Venture Company.	The Forging Division of the Company is targeting a growth of over 20% in its sales and over 15% jump in its operating profit in comparison to the previous year.	Efforts for new businesses/ customers are being made aggressively at both the Joint Venture Company. Our target is to evaluate the new Joint Venture, Talbros Marugo Rubber Pvt Ltd. to be Tier One supplier to Indian OEM.
--	---	--	---

DISCLOSURES

The shareholders of the Company shall be informed of the remuneration package of the managerial person.	Disclosure of the remuneration package is the part of this notice being sent to Shareholders.	Disclosure of the remuneration package is the part of this notice being sent to Shareholders.	Disclosure of the remuneration package is the part of this notice being sent to Shareholders.
The following disclosures shall be mentioned in the Board of Directors report under the heading "Corporate Governance", if any, attached to the annual report:- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors; (ii) Details of fixed component and performance linked incentives along with the performance criteria; (iii) Service contracts, notice period, severance fees; (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	All the disclosures as required are mentioned in the Directors' Report/ Corporate Governance Report section of the 56 th Annual Report.	All the disclosures as required are mentioned in the Directors' Report/ Corporate Governance Report section of the 56 th Annual Report.	All the disclosures as required are mentioned in the Directors' Report/ Corporate Governance Report section of the 56 th Annual Report.

By Order of the Board
For Talbros Automotive Components Limited

Seema Narang
Company Secretary

Place : New Delhi
Date : May 28, 2013

Talbro Automotive Components Limited

Details of Directors seeking Appointment / Reappointment at the forthcoming Annual General Meeting (pursuant To Clause 49 of the Listing Agreement)						
Name of the Director	Mr. V. Mohan	Mr. Navin Juneja	Mr. R.R. Vederah	Mr. Umesh Talwar	Mr. Varun Talwar	Mr. Anuj Talwar
Date of Birth	06.05.1951	30.09.1957	30.08.1949	29.09.1950	20.06.1969	19.12.1980
Date of Appointment	31.01.2004	12.11.2010	13.02.2013	01.04.2012	14.08.2008	14.08.2012
Qualifications	B.Com, FCA	B.Sc(H), FCA	Chemical engineering from the Indian Institute of Technology, New Delhi and a Master of Sciences in Chemical Engineering	B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur	BS in Business Administration	Bachelor in Business Administration from college of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management
Nature of expertise in specific Functional areas	Acts as a Corporate Advisor for many Companies.	30 years of rich experience in Finance, Accounting and Strategic Planning.	43 years of rich and varied experience.	36 years of varied experience in the Automotive Components	17 years of rich experience in the IT Sector, Auto Components and Health Care Industry.	9 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry
Directorship and Trusteeship in other Companies	<ol style="list-style-type: none"> Lloyd Insulations (India) Ltd. Champion Industries Ltd. Vascon Engineers Ltd. Isolloyd Engineering Technologies Ltd. QH Talbro Ltd. Punj Sons Private Ltd. Muller Investments Pvt. Ltd. Cornelia Investments Pvt. Ltd. Gauder Investments Pvt. Ltd. Cosmo Capital and Investment Pvt. Ltd. Super Sara Auto Tradings (India) Pvt. Ltd. GMP Technical Solutions Pvt. Ltd. 	<ol style="list-style-type: none"> Talbro International Ltd. Beacon Sales Pvt. Ltd. Blaustern India Sales Pvt. Ltd. Sunrise Medicare Pvt. Ltd. Talbro Forge Pvt. Ltd. 	<ol style="list-style-type: none"> Ballarpur Industries Limited Bilt Industrial Packaging Company Ltd. Bilt Tree Tech Ltd. Bilt Graphic Paper Products Ltd. Premier Tissues (India) Ltd. Solaris Chemtech Industries Ltd. Imerys Newquest (India) Pvt. Ltd. Ballarpur International Holdings B.V. Ballarpur International Graphic Paper Holdings B.V Sabah Forest Industries Sdn. Bhd. Thapar Centre for Industrial Research & Development 	<ol style="list-style-type: none"> QH Talbro Ltd. T & T Motors Ltd. TANDT Multi Trading Pvt. Ltd. Sunrise Medicare Pvt. Ltd. Nippon Leakless Talbro Pvt. Ltd. 	<ol style="list-style-type: none"> Talbro Marugo Rubber Pvt. Ltd. Sunrise Medicare Pvt. Ltd. 	<ol style="list-style-type: none"> Talbro International Ltd. Euro Motors Pvt. Ltd. Magneti Marelli Talbro Chassis Systems Pvt. Ltd. Talbro Marugo Rubber Pvt. Ltd.
Members of Committees of other Companies	-	01	04	01	-	-
No. of share held	Nil	783	Nil	431906	17985	62851

DIRECTORS' REPORT

Dear Members,

The Board of Directors have pleasure in presenting the 56th Annual Report alongwith the audited accounts of the Company for the year ended March 31, 2013.

Your Company's gross revenue from operations during the year has been 13.8% lower at ₹ 32,056.29 lacs as against ₹ 37,204.56 lacs in the previous year partially due to slowdown of economy and partially due to sale of Stamping & Rubber businesses to two separate Joint Venture Companies. Operations of the Company resulted into a net profit of ₹ 1,043.80 lacs as against ₹ 1,062.57 lacs in the previous year after provision of corporate tax.

Financial Highlights:

(₹ in lacs)

Particulars:	Year Ended March 31, 2013	Year Ended March 31, 2012
Revenue from Operations (Gross)	32,056.29	37,204.56
Profit before Interest and Depreciation	3,993.55	4,152.25
Less : Interest	2,047.94	1,990.98
Depreciation	943.44	1,079.42
Profit before Tax	1,002.17	1,081.85
Less: Provision for Taxation	202.00	167.50
Provision for Deferred Tax	(97.98)	23.14
MAT Credit Entitlement	(152.00)	(167.50)
Add: (Excess)/Short provision of tax for earlier years (written back)/provided	5.55	(3.86)
Profit after Tax	1,043.80	1,062.57
Add: Balance Brought forward from last year	2,851.78	2,011.39
Profit available for appropriations	3,895.58	3,073.96
Appropriations:		
Proposed Dividend	148.15	148.15
Tax on Dividend	24.03	24.03
Transfer to General Reserve	50.00	50.00
Balance carried forward	3,673.34	2,851.78
Total	3,895.58	3,073.96

FINANCIAL REVIEW

Indian economy is estimated to have grown at 5% in 2012-13 which is slowest pace in a decade. The economic slow down took its toll on the Indian Auto Industry, once seen as the world's most promising by global auto makers and almost all auto companies in India ended the Financial Year on a bleak note. Slowing growth has dampened sentiments of buyers who were reluctant to engage in a new purchases at a time when interest rates and fuel prices remained high. Hefty discounts and freebies on new vehicles in the fourth quarter of 2012-13 failed to attract buyers.

All segments barring multi utility vehicles and scooters registered negative growth and the worst hit sector was heavy and medium commercial vehicles where production dropped by 27.6% as compared to the previous year. This has been the steepest drop since global economic melt down in 2008-09. Your Company was also affected by this as a significant portion of your Company's business comes from Gaskets for commercial vehicles.

Another major segment catered to by the Gasket Divn. of your Company is two-wheeler segment, particularly motorcycles. Two wheelers segment grew only at negligible 1.9%, that even due to growth in scooters production only. Whereas, motorcycles which hold larger portion experienced marginal dip as compared to the previous year. In the past, two wheeler segment had been recording highest growth in auto industry year on year.

DIVIDEND

Your Directors are pleased to recommend 12% dividend for the year 2012-13 at par with the dividend declared last year subject

to the approval of members at the ensuing Annual General Meeting. The total outgo on account of dividend (including Dividend Distribution Tax) for the financial year 2012-13 will be ₹ 172.18 lacs.

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

The Company shall transfer the unclaimed dividends for the year 2005-06 to Investor Education and Protection Fund on or before August 02, 2013 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 their dividend warrants for the financial year 2005-06 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 ₹ 1,588.85 lacs on March 31, 2013. Your Company has duly complied with the "Residuary Non-Banking Companies (Reserve Bank) Directions, 1987" issued by the Reserve Bank of India.

As on March 31, 2013, 48 fixed deposits aggregating to ₹ 19.84 lacs matured for payment, but were neither claimed nor renewed by the depositors.

Talbro Automotive Components Limited

NEW INITIATIVES

Your Company at its Forging Plant started using gas based power supply during the year in order to economize on energy cost.

Gearing up for the recovery of economy, your Company expanded its factory building at Pune Plant and introduced multilevel manufacturing concept to get optimum utilization of space.

In order to strengthen its leadership position in gasket business, the Company continued its efforts to adopt new technologies/processes and introduced new products in the market.

NEW BUSINESS:

During the Financial Year 2011-12, your Company formed a Joint Venture with Fiat Group and as per the terms of the Joint Venture Agreement, the business of manufacturing Sheet Arms alongwith related production equipments and tools was transferred to the Joint Venture Company, Magneti Marelli Talbro Chassis Systems Pvt. Ltd. where your Company holds 50% equity with effect from April 01, 2012. The other Joint Venture partner being Sistemi Sospensioni S.p.A of Italy, a Fiat Group Company holds balance 50% equity.

During 2012-13, your Company started one more Joint Venture with Marugo Rubber Industries Ltd., Japan in order to acquire technical know how and move up the supply chain system. As per the Joint Venture Agreement the existing rubber components manufacturing business alongwith its existing production equipments was transferred under slump sale to the Joint Venture Company during Jan. 2013.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. V. Mohan and Mr. Navin Juneja, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

During the year under review Mr. Brian Williams resigned from the Directorship of the Company w.e.f. February 02, 2013. The Board places on record its heart felt appreciation for the contribution made by Mr. Brian Williams during his tenure on the Board of the Company.

Mr. R.R. Vederah was appointed as an Additional Director w.e.f. February 13, 2013. He holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member u/s 257 proposing his candidature for the office of Director, liable to retire by rotation.

Details of Mr. V. Mohan, Mr. Navin Juneja and Mr. R.R. Vederah 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;

- a. 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.
- b. 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;
- c. 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;
- d. that the annual accounts for the financial year under reference have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

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. Certificate from the Statutory Auditors of the Company, M/s. S.N. Dhawan & Co., Chartered Accountants, confirming compliances with the provisions of Corporate Governance as stipulated in clause 49, is annexed to the said Corporate Governance Report.

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 AND THEIR REPORT

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

COST AUDITORS

In accordance with the procedure laid down by Ministry of Corporate Affairs vide its General Circular No. 15/2011 dated April 11, 2011 the Company has appointed M/s. Vijender Sharma & Co, Cost Accountants as the cost auditors under section 233B of the Companies Act, 1956 for the audit of cost accounts of the Company for the year ending March 31, 2014. The extended due date of filing the Compliance Report was February 28, 2013. The Company had filed the report with the Ministry of Corporate Affairs on January 31, 2013.

JOINT VENTURE COMPANIES

In terms of Accounting Standard (AS-27), "Financial Reporting of Interest in Joint Ventures" the consolidated financial statements comprise of the operating results of your Company and proportionate results of three Joint Venture Companies namely Nippon Leakless Talbro Pvt. Ltd., Magneti Marelli Talbro Chassis Systems Pvt. Ltd., and Talbro Marugo Rubber Pvt. Ltd., in the proportion of 40%, 50% and 50%-1share respectively.

Consolidated revenue from operations (Gross Sales) during the year has been ₹ 37,503.87 lacs as against ₹ 40,659.42 lacs in the previous year showing 7.8% decline.

The consolidated net profit after provision of tax has been ₹ 1,387.82 lacs as against ₹ 1,437.89 lacs in the previous year showing a drop of 3.5%.

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 Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure-I to this Report.

PERSONNEL & PARTICULARS OF EMPLOYEES

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

A statement u/s 217(2A) containing list of employees drawing remuneration exceeding ₹ 60.00 lacs per annum or ₹ 5.00 lacs per month is attached with this report as Annexure II.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

VARUN TALWAR
Joint Managing
Director

UMESH TALWAR
Vice Chairman &
Managing Director

Place : New Delhi
Date : May 28, 2013

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - I

Additional information as required under section 217(1) of the Companies Act, 1956 read with Rules therein, forming part of the Directors' Report for the year ended March 31, 2013.

A. CONSERVATION OF ENERGY

1. Modification in cooling tower's circuit for stopping the pumps and cooling tower's fan motor.
2. Installed new water pump of high water flow/pressure with low power pump.
3. Installed FRP fan blade in place of Al. casting in cooling tower with motor also.
4. Modification in running of Air Compressors.
5. Installed new Air Receiver of 5 kl capacity in end of air line.
6. Modification in DG set 500 kva with new engine.
7. Modification in DG set 500 kva (lind) with higher rating alternator.
8. Covering of diesel day tank and pipe line with proper insulation.
9. Installed solar system for battery charging for battery stacker.
10. Installed solar system for hot water supply.
11. Reuse the black, used oil of Air Compressor, DG sets and Hydraulic m/c and other.

B. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1. RESEARCH & DEVELOPMENT (R&D)

(a) Specific areas where R&D is being carried out by the Company.

i. Gasket Division

- Design & Development of gaskets to meet sealing requirements of new generation engines.
- Cost effective Non-asbestos substitutes for currently used asbestos materials.
- Assessment of new/import substitute materials for cost reduction.
- Development of Heat Shields.
- Development/adoption of new product technologies & manufacturing processes.

ii. Forging Division

- Development of new products based on drawings/specifications provided by the customer.

iii. Rubber Division

- Identifying/developing new rubber compounds in order to save cost and reduce dependence on natural rubber.
- Developing test equipments to carry out dynamic testing and durability tests on rubber components.

(b) Benefits derived as a result of the R&D Activities

- Contribution towards safe and healthy environment by reducing usage of asbestos material.
- Indigenization of material resulting in favorable trade balances.
- Reducing cost of production ultimately resulting in cost competitiveness.
- Introduction of new products.

(c) Future Plan of Action

- Improving product quality for enhanced customer satisfaction.
- Up-gradation/adoption of new R&D facilities, wherever required.
- Introduction of Cost effective solutions meeting customers expectations.

(d) Expenditure on R&D Activities

• Capital Expenditure	₹ 31.68 lacs
• Salaries & Allowances	₹ 90.32 lacs
• Other Recurring Expenditure	₹ 84.06 lacs
Total	₹ 206.06 lacs

Total as percentage of Revenue from operations

0.70 %

2. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief towards technology absorption, adaptation and innovation.

i) Gasket Division

- Improvement in product design capabilities - Introduction of FEA, New Test equipments.
- Up-gradation of technical capabilities with the help of our technical partner.
- Development of Post Coating Process for MLS gaskets.
- Introduction of MLS Gaskets and Steel Elastomer Gaskets, Elastomer gaskets and Heat Shields for new generation engines/new applications.
- Development/adoption of Non Asbestos Grade materials - a step towards contribution to green and safe environment.

Talbro Automotive Components Limited

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 Division:

- Injection Moulding 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 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 -	₹ 5,756.65 Lacs
Outgo -	₹ 5,892.39 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 consumed (In Lacs)	96.30	13.67
Total Amount (In Lacs)	1100.07	103.56
Rate ₹/Unit	11.42	7.58
(b) Own Generation		
Through Captive Power Plant (HFO Based)		
Furnace Oil ₹/Litre	44.28	36.58
Unit (KHW in lacs)	0.47	98.19
Total amount (In ₹)	6.30	1013.71
Cost ₹/Unit	13.40	10.32

For and on behalf of the Board

VARUN TALWAR **UMESH TALWAR**
Joint Managing Vice Chairman &
Director Managing Director

Place : New Delhi
Date : May 28, 2013

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, 2013.

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 (Yrs)	Particulars of last Employment
Mr. Vinay Upadhyay*	Group COO Overall Operations & Management	63,52,566	otherwise	BE, Executive Management Programme	29	05.12.2011	54	COO, Avtec Limited

Note:

* Mr. Vinay Upadhyay resigned w.e.f. February 28, 2013.

For and on behalf of the Board

VARUN TALWAR **UMESH TALWAR**
Joint Managing Vice Chairman &
Director Managing Director

Place : New Delhi
Date : May 28, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(A part of the Directors' Report)

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

- The Consolidated Revenue from Operations (Gross) dropped by 7.8% to ₹ 37,503.87 lacs in comparison to ₹ 40,659.42 lacs in the previous year.
- Consolidated earning after Taxes has been ₹ 1,387.82. lacs during 2012-13 as against ₹ 1,437.89 lacs in the year 2011-12.

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:

- Introduction of new MUV/SUV by more and more companies recently in different price ranges is expected to perk up sales.
- Introduction of smaller commercial vehicles will result in higher number of vehicles on road.
- Global car manufacturers continue to look India as a potential base due to availability of technically qualified and skilled workforce at comparatively lower cost.
- Availability of CNG in more and more cities/towns will lead to affordability of vehicles.
- High priority given to infrastructure development, specially high ways and internal roads will provide necessary impetus for the growth of Auto Industry.
- Increasing young middle class population will add to the demand for two wheelers & passenger cars.
- Yamaha Motors, Japan announced setting up of its fifth global R&D head quarter in Surajpur (U.P) that would help develop low cost models in future.

Threats:

- Continuously increasing fuel prices may have dampening effect on the rising demand for vehicles.
- As per SIAM India is under pressure to make offers to EU on opening up trade with reduced tariff on export from EU to India.
- Stringent emission norms and safety regulations could bring new complexities and cost increases for automotive industry.
- Introduction of rapid mass transport systems in metro cities may adversely affect the domestic passenger vehicle demand.
- 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

Auto industry experts are indicating that tough times are here for long. Companies are slashing production which is alarming considering the ripple effect of the move on allied industries like auto components and retail outlets.

Commercial vehicles particularly heavy and medium commercial vehicles experienced significant negative growth due to overall slow down of industrial activity. The production of motorcycles and tractors dropped indicating that even rural areas are adversely effected. India being an agriculture based country, farmers postponed their purchases since winter rains during 2012-13 were scattered and weak.

A lot depends upon government policies, current year's monsoon and global revival of sentiments and customer confidence.

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 2012-13, your Company achieved total revenue from operations of ₹ 32,056.30 lacs being 13.8% lower than the previous year figure of ₹ 37,204.56 lacs on stand-alone basis. Earning before Taxes has been almost at the same level being ₹ 1,003.67 lacs as against ₹ 1,081.84 lacs last year. A summary of the financial figures for the year is 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.

Talbro Automotive Components Limited

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 Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

There is more widespread understanding and acceptance that good corporate governance ultimately leads to better performance, increased investor confidence and enhancement of long term shareholders value.

2. BOARD OF DIRECTORS

Composition

The Company has an optimum combination of Executive,

Non-Executives and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and expertise to the Board. As on March 31, 2013 the composition of the Board of Directors of the Company meets the stipulated requirements of clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

The Board comprises of 10 Directors – 3 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.

Memberships of the Directors on other Boards/Committees are given hereunder:

Name of the Directors	Category	Number of Committee# Memberships and Chairmanship in all Companies including Talbro Automotive Components Ltd. (As on March 31, 2013)		
		Other Directorships##	Committee Memberships	Committee Chairmanship
Mr. Naresh Talwar, Chairman	Promoter, Non-Executive	2	2	1
Mr. Umesh Talwar, Vice Chairman and Managing Director	Promoter, Executive	3	-	-
Mr. Varun Talwar, Joint Managing Director	Executive	-	-	-
Mr. Anuj Talwar, Executive Director*	Executive	1	-	-
Mr. Navin Juneja	Non Executive	1	-	1
Mr. Anil Kumar Mehra	Independent	9	2	-
Mr. Rajive Sawhney	Independent	-	2	-
Mr. V. Mohan	Independent	5	2	1
Mr. Amit Burman	Independent	7	4	-
Mr. Brian Williams**	Independent	-	-	-
Mr. R. R. Vederah***	Independent	7	4	-

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 Ltd. Companies.

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

* Mr. Anuj Talwar was appointed on the Board as Executive Director effective from August 14, 2012.

** Mr. Brian Williams resigned from the Board effective from February 02, 2013.

*** Mr. R. R. Vederah was appointed as an Additional Director effective from February 13, 2013.

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	5	Yes
Mr. Varun Talwar, Joint Managing Director	Executive	5	Yes
Mr. Anuj Talwar, Executive Director	Executive	3	Yes
Mr. Navin Juneja	Non Executive	5	Yes
Mr. Anil Kumar Mehra	Independent	3	No
Mr. Rajive Sawhney	Independent	3	No
Mr. V. Mohan	Independent	5	Yes
Mr. Amit Burman	Independent	5	No
Mr. Brian Williams	Independent	0	No
Mr. R. R. Vederah	Independent	2	No

During the year ended March 31, 2013 five meetings of the Board of Directors were held on the following dates:

(i) May 29, 2012 (ii) August 14, 2012 (iii) November 08, 2012 (iv) February 13, 2013 (v) March 25, 2013.

The Annual General Meeting (AGM) was held on September 03, 2012.

Retiring Directors

In accordance with the provisions of the Companies Act, 1956 and Article 56 of the Articles of Association of the Company, Mr. V. Mohan and Mr. Navin Juneja, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for the reappointment.

Mr. V. Mohan, aged 62 years, is a Bachelor in Commerce from the Madras University and is a Fellow Member of the Institute of Chartered Accountants of India. He is partner of M/s. V. Sankar Aiyar & Co., a Chartered Accountants firm and is presently on the board of several Companies. Mr. V. Mohan has also been a Corporate Advisor to many Companies. Mr. V. Mohan inter-alia holds directorship in Companies like Lloyd Insulations (India) Ltd., Champion Industries Ltd., QH Talbros Ltd., Vascon Engineer Ltd. etc.

Mr. Navin Juneja, aged 56 years, is a Fellow Member of the Institute of Chartered Accountants of India. He has over 30 years of rich experience in Finance, Accounting and Strategic Planning. He has been associated with the Talbros group for last 24 years. He is Group CFO and has contributed in strengthening business decision making throughout the organization and in driving a fine balance between business effectiveness and sound corporate control. Mr. Navin Juneja inter-alia holds directorship in Companies like Talbros International Ltd., Sunrise Medicare Private Ltd., Blaustern India Sales Private Ltd. etc.

Mr. V. Mohan, the retiring Director does not hold any Equity Shares in the Company. Mr. Navin Juneja is holding 783 Equity Shares of the Company.

None of the Directors is holding any convertible instruments of the Company.

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 Ltd.

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 03, 2012.

The terms of reference of the Audit Committee broadly include:

- (i) Reviewing the Company's financial reporting process and its financial statement.
- (ii) Reviewing the accounting and financial policies and practices and compliance with applicable accounting standards.
- (iii) Reviewing reports furnished by the internal and statutory auditors.
- (iv) Recommending appointment of statutory auditors, internal auditors and cost auditors.
- (v) Evaluating the adequacy of internal controls and its effectiveness.
- (vi) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.
- (vii) 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.

During the year ended March 31, 2013, four meetings of the Audit Committee were held on the following dates:

- (i) May 29, 2012 (ii) August 14, 2012 (iii) November 08, 2012 (iv) February 13, 2013.

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. V. Mohan, Chairman	4
Mr. Naresh Talwar	3
Mr. Anil Kumar Mehra	2
Mr. Rajive Sawhney	3
Mr. Amit Burman	4

(ii) Remuneration Committee

The terms of reference/role of the Remuneration Committee are as per the guidelines set out in the listing agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange Ltd. 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 August 14, 2012. The detail of attendance of each Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. Anil Kumar Mehra	0
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.

Remuneration of Directors

Executive Directors

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

Talbros Automotive Components Limited

	Mr. Umesh Talwar	Mr. Varun Talwar	Mr. Anuj Talwar
	₹	₹	₹
Basic Salary	24,00,000	20,40,000	12,88,710
Allowance & Perquisites	21,87,996	19,04,800	12,08,905
Total	45,87,996	39,44,800	24,97,615

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	Mr. Anuj Talwar
Term of Appointment	Five years, from 01.04.2012 to 31.03.2017	Five years, from 01.09.2008 to 31.08.2013	Three years, from 14.08.2012 to 13.08.2015

Non Executive Directors

The Non-Executive Independent Directors are entitled for sitting fee of ₹ 20,000/- for every Board Meeting 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) Investors' 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 Ltd. and National Stock Exchange of India Ltd.

The Committee is authorised to look into and review the actions for redressal of shareholders and investors grievances, such as, non-receipt of transferred/transmitted share certificates, annual report/refund orders/dividend warrants etc.

Composition and Attendance

The Investors' Grievance Committee comprises of 4 Non-Executive Directors, of which 3 are Independent Directors. The Chairman of the Committee is Mr. Naresh Talwar.

During the year ended March 31, 2013, four meetings of the Investors Grievance Committee were held on the following dates:

- (i) May 29, 2012 (ii) August 14, 2012 (iii) November 08, 2012 (iv) February 13, 2013

4. GENERAL BODY MEETINGS

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

Year	Day	Date	Timing	Place
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
2012	Monday	September 03, 2012	10.30 A.M	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana

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

Name of the Directors	No. of Meetings Attended
Mr. Naresh Talwar, Chairman	3
Mr. V. Mohan	4
Mr. Anil Kumar Mehra	2
Mr. Rajive Sawhney	3

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 Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. 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 year	28
Number of Shareholders' Complaints resolved to the satisfaction of Shareholders	28
Number of Shareholders' Complaints pending as on 31.03.2013	Nil

(iv) Share Transfer Committee

Terms of the Reference of the Share Transfer Committee are as per the guidelines set out in the Listing Agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

Committee is authorised to look into and review the reports submitted by Mrs. Seema Narang, Company Secretary relating to approval/confirmation of requests for share transfer/transmission/transposition/consolidation/issue of duplicate share certificates/sub-division, remat, demat of shares etc. from time to time.

Composition and Attendance

The attendance of each Share Transfer Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. Umesh Talwar, Chairman	26
Mr. Naresh Talwar	15
Mrs. Seema Narang	26

The Committee holds its meeting once in every fortnight to consider all matters concerning transfer and transmission of shares. During the year ended March 31, 2013, Twenty Six meetings of the Share Transfer Committee were held.

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

Year	Special Resolution passed
2010	None
2011	None
2012	None

Postal Ballot

During the year under review two Resolutions were passed through Postal Ballot. Details of resolution passed through Postal Ballot are as under:

- (i) Ordinary Resolution was passed on September 29, 2012 in respect of sale and transfer of the Rubber 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.
- (ii) Ordinary Resolution was passed on October 17, 2012 in respect of payment of remuneration to Mr. Anuj Talwar, Executive Director w.e.f August 14, 2012. Mr. Shailesh Dayal, FCS, was appointed as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through postal ballot.

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 general related party transactions.

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, member of Risk Assessment Committee resigned from the services of the Company and thus ceased to be member of Risk Assessment Committee w.e.f February 28, 2013. Presently Mr. R.P. Grover, CFO and Mrs. Seema Narang, Company Secretary are the members of the Committee.

Management

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

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.talbros.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.

CEO/CFO Certification

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.

Compliance of the Requirements of Clause 49 of the Listing Agreement

The Company has complied with all the applicable mandatory requirements of clause 49 of the Listing Agreement and the non-mandatory provisions have been adopted wherever necessary. The Company has constituted a Remuneration Committee as described above.

6. MEANS OF COMMUNICATION

- (a) **Quarterly Results:** Unaudited quarterly financial results and the annual audited financial results of the Company are sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where its equity shares are listed and the same are generally published in Business Standard (English & Hindi) newspaper.
- (b) **Website www.talbros.com:** Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results are displayed on the Company's website.
- (c) **Annual Report:** Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Directors' Report, Auditors' Report.
- (d) **The Management Discussion & Analysis:** The Management Discussion & Analysis Report forms part of the Annual Report.
- (e) **Intimation to Stock Exchanges:** The Company is timely submitting the required information, statement and report to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The Company intimates Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. all price sensitive information which in its opinion are material & of relevance to the shareholders.

7. SHAREHOLDERS INFORMATION

(i) 56th Annual General Meeting

The 56th Annual General Meeting will be held on September 16, 2013 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 1st April and ends on 31st March.

(iii) Book Closure Date

The date of book closure is from September 09, 2013 to September 16, 2013 (both days inclusive).

Financial Reporting Calendar:

Un audited Quarterly results for the quarters	Tentative date of Reporting
April – June 2013	2 nd week of August, 2013
July – September 2013	2 nd week of November 2013
October – December 2013	2 nd week of February 2014
January – March 2014	4 th week of May 2014

(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

Talbro Automotive Components Limited

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 of India Ltd. The annual listing fee due to the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. for the year 2013-2014 has been duly paid.

(vi) Stock Code

Bombay Stock Exchange Ltd. 505160
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

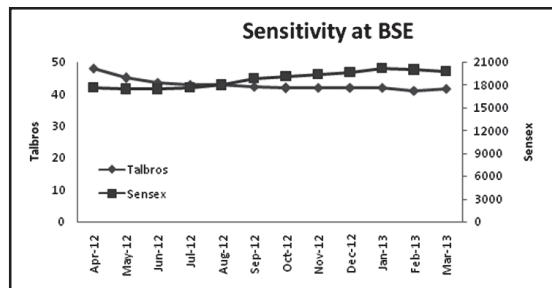
National Stock Exchange of India Ltd. TALBROAUTO
Exchange Plaza, 5th Floor, Plot No. C/1,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

(vii) Market Price Data

Months	Share Price at BSE		Share Price at NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	48.00	39.45	44.70	30.05
May 2012	45.00	37.90	43.90	37.00
June 2012	43.50	38.10	42.45	38.25
July 2012	43.00	40.00	45.00	39.05
August 2012	42.95	34.80	41.90	35.00
September 2012	42.30	36.50	41.00	35.25
October 2012	41.80	38.80	43.00	38.15
November 2012	42.00	38.15	41.00	36.75
December 2012	41.95	38.50	41.00	38.25
January 2013	42.00	37.25	41.95	38.15
February 2013	41.00	37.15	40.50	35.50
March 2013	41.65	35.00	39.50	35.55

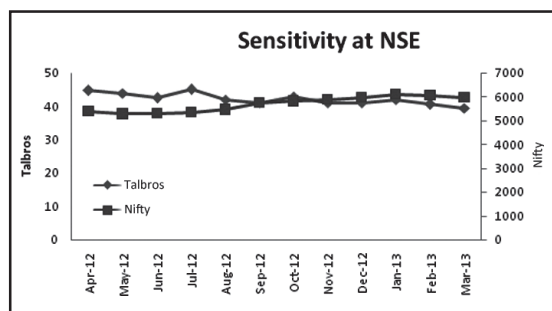
Performance of TALBROS Share price in comparison to: BSE SENSEX

Months	Share Price		Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	48.00	39.45	17664.10	17010.16
May 2012	45.00	37.90	17432.33	15809.71
June 2012	43.50	38.10	17448.48	15748.98
July 2012	43.00	40.00	17631.19	16598.48
August 2012	42.95	34.80	17972.54	17026.97
September 2012	42.30	36.50	18869.94	17250.80
October 2012	41.80	38.80	19137.29	18393.42
November 2012	42.00	38.15	19372.70	18255.69
December 2012	41.95	38.50	19612.18	19149.03
January 2013	42.00	37.25	20203.66	19508.93
February 2013	41.00	37.15	19966.69	18793.97
March 2013	41.65	35.00	19754.66	18568.43



NSE Nifty

Months	Share Price		Nifty	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2012	44.70	39.05	5378.75	5154.30
May 2012	43.90	37.00	5279.60	4788.95
June 2012	42.45	38.25	5286.25	4770.35
July 2012	45.00	39.05	5348.55	5032.40
August 2012	41.90	35.00	5448.60	5164.65
September 2012	41.00	35.25	5735.15	5215.70
October 2012	43.00	38.15	5815.35	4888.20
November 2012	41.00	36.75	5885.25	5548.35
December 2012	41.00	38.25	5965.15	5823.15
January 2013	41.95	38.15	6111.80	5935.20
February 2013	40.50	35.50	6052.95	5671.90
March 2013	39.50	35.55	5971.20	5604.85



(viii) Registrar & Transfer Agents

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

(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 Ltd. 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, 2013

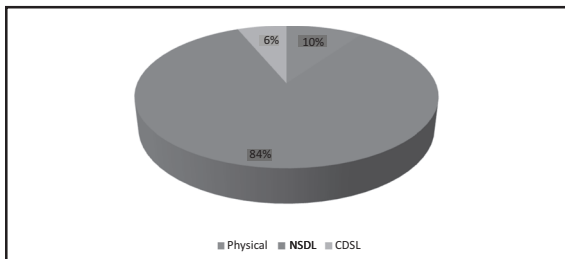
No. of Equity Shares		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	17,243	94.72	14,11,452	11.43
5001	10000	503	2.76	3,90,507	3.16
10001	20000	226	1.24	3,29,340	2.67
20001	30000	66	0.36	1,60,762	1.30
30001	40000	30	0.16	1,04,257	0.84
40001	50000	27	0.15	1,27,226	1.03
50001	100000	40	0.22	2,91,002	2.36
100001	Above	70	0.38	95,31,084	77.20
Total		18,205	100.00	1,23,45,630	100.00

(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 Ltd. (NSDL) and Central Depository Services (India) Ltd. (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, 2013 is as follows:

Category	No. of Shareholders	No. of Equity Share	% of Capital
Physical	3,192	12,07,571	9.78
NSDL	10,126	1,03,64,474	83.95
CDSL	4,887	7,73,585	6.27
Total	18,205	1,23,45,630	100.00



(xii) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2013.

(xiii) Plant Locations of the Company

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

Particulars	Address
Gasket Plant I and Registered Office	14/1, Delhi Mathura Road, Faridabad -121003, Haryana
Gasket Plant II	22-B, SIDCO Industrial Estate Ambattur, Chennai-600098
Gasket Plant III	Plot No 68, F-11, MIDC, Pimpri, Pune - 411018
Gasket Plant IV	Plot No. B-177, Phase-I Eldeco-Sidcul Industrial Park Ltd Sitarganj, Uttrakhand -262405
Forging Division	Plot No.39 to 46, Sector-6, Industrial Growth Centre Bawal-123501 Distt. Rewari (Haryana)

Particulars	Address
IT Division	28-29, Electronic City, Sector-18, Gurgaon-122 016
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

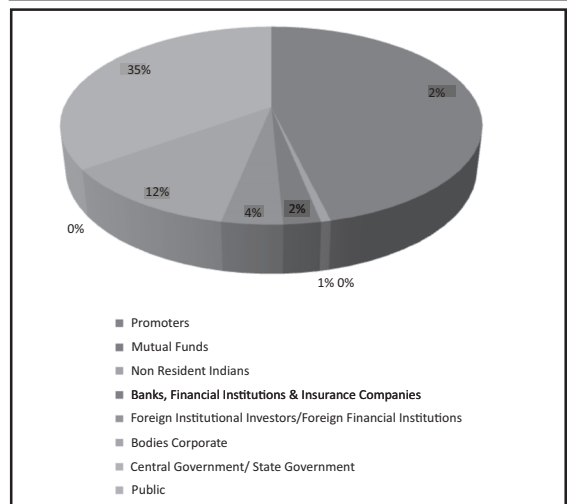
Talbros Automotive Components Ltd.
14/1, Delhi Mathura Road,
Faridabad -121003
Tel: +91-129- 4294189 / 4294182 / 4047694
Fax: +91-129-2277240
Email: seema_narang@ talbros.com
memberservice@talbros.com

For all matters relating to investor relations please contact:

Company Secretary & Compliance officer
Talbros Automotive Components Ltd.
14/1, Delhi Mathura Road,
Faridabad -121003
Tel: +91-129- 4294189 / 4294182 / 4047694
Fax: +91-129-2277240
Email: seema_narang@talbros.com
memberservice@talbros.com

(xv) Shareholding Pattern as on March 31, 2013

Category	No. of Shares	%
Promoters	57,06,159	46.22
Mutual Funds	-	-
Non Resident Indians	78,448	0.64
Banks, Financial Institutions & Insurance Companies	2,95,357	2.39
Foreign Institutional Investors/ Foreign Financial Institutions	4,83,200	3.91
Bodies Corporate	14,65,137	11.87
Central Govt./ State Govt.	-	-
Public	43,17,329	34.97
Total	1,23,45,630	100.00



Talbro Automotive Components Limited

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
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
2011-12	03.09.2012	05.10.2019

Members who have not encashed their dividend warrants so far in respect of dividend 2005-06 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, 2013.

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:

Sr. 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 1st April, 2012	860	123648
2.	Shareholders to whom certificates despatched during the year 2012-13 but return undelivered;	7	1719
3.	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	1	600
4.	Number of shareholders to whom shares were transferred from suspense account during the year;	1	600
5.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2013.	866	124767

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 of India 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, 2013.

For Talbro Automotive Components Ltd.

Umesh Talwar
[Vice Chairman & Managing Director]
DIN No. 00059271

Place: New Delhi
Date : May 28, 2013

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Umesh Talwar, Vice Chairman & Managing Director and R.P. Grover, Chief Financial Officer, of Talbros 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 ended March 31, 2013 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 ended March 31, 2013 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 ended March 31, 2013;
 - c) Significant changes in accounting policies during the year ended March 31, 2013, if any, and that the same to be 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 : New Delhi
Date : May 28, 2013

Umesh Talwar
Vice Chairman & Managing Director

R. P. Grover
Chief Financial Officer

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

To the members of
Talbros Automotive Components Limited

We have examined the compliance of the conditions of Corporate Governance by Talbros Automotive Components Limited for the year ended March 31, 2013 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, 2013, 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. F-10577

Place : New Delhi
Date : May 28, 2013

STANDALONE

BALANCE SHEET

AND

STATEMENT OF PROFIT AND LOSS

INDEPENDENT AUDITOR'S REPORT

To the Members of Talbros Automotive Components Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Talbros Automotive Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) 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 returns received from branches not visited by us;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. N. Dhawan & Co.
Chartered Accountants
Firm Reg. No. 000050N

(Suresh Seth)
Partner
Membership No. 010577

Place : New Delhi
Date : May 28, 2013

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF TALBROS AUTOMOTIVE COMPONENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2013

- 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 its assets. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) During the year, the Company has disposed off fixed assets relating to Stamping & Rubbers business and IT business which constitute substantial part of fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the disposal of the said part of fixed assets has not affected the going concern status of the Company.

Talbro Automotive Components Limited

- 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 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 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 was ₹ 90 lacs and the year-end balance of such deposit was ₹ Nil.
- (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 is regular.
- (d) There is no overdue amount of interest and inter corporate deposit granted to aforesaid party.
- (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 the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid 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 the 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 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, custom 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, custom duty and excise duty were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty and excise duty which have not been deposited on account of any dispute except for the following:

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 Excise Act, 1944	Pending C, I & H Forms	2009-10 to 2011-12	15,51,616	Sales Tax Authority, Mumbai
Employee State Insurance Act, 1948	ESI Demand	1995-99	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	2004-05	4,47,739	CIT - Appeal, Chandigarh, Camp at Gurgaon

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (₹)	Forum where dispute is pending
Central Excise Act, 1944	Demand on assessable value	2006-07	9,45,837	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2008-09	28,93,658	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2010-11	4,56,407	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2011-12	11,30,460	The Deputy Commissioner, Faridabad
Central Excise Act, 1944	Demand on assessable value	2012-13	5,99,536	The Deputy Commissioner, Faridabad
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	2011-12	12,20,047	The Deputy Commissioner, Gurgaon
Central Excise Act, 1944	Cenvat Credit disallowed	2012-13	5,80,876	The Additional Commissioner, Faridabad
Central Excise Act, 1944	Non filing of return	2010-11 to 2011-12	35,000	Superintendent Range - II, Faridabad
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 as at 31st March, 2013. The Company has not incurred any cash losses during the financial year covered by our audit or in 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 and according to the information and explanations given to us, 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) According to the information and explanations given to us, the Company had given corporate guarantee for term loan availed by one of its Associate Company which have been fully repaid during the year. 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 the 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 during the year. 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 the 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
Membership No. F-10577

Place : New Delhi
Dated : May 28, 2013

Talbro Automotive Components Limited

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	2	12,34,56,300		12,34,56,300	
Reserves and Surplus	3	87,66,52,407	1,00,01,08,707	78,95,67,582	91,30,23,882
Non-Current Liabilities					
Long Term Borrowings	4	25,06,75,442		32,71,64,091	
Deferred Tax Liabilities (Net)	5	6,11,32,392		7,08,50,129	
Other Long Term Liabilities	6	1,13,02,643		-	
Long Term Provisions	7	3,81,12,118	36,12,22,595	3,22,70,722	43,02,84,942
Current Liabilities					
Short Term Borrowings	8	75,60,26,849		67,81,47,884	
Trade Payables	9	64,12,52,108		77,27,83,942	
Other Current Liabilities	10	29,48,58,631		26,06,54,656	
Short Term Provisions	11	2,35,72,037	1,71,57,09,625	1,95,87,392	1,73,11,73,874
TOTAL			3,07,70,40,927		3,07,44,82,698
ASSETS:					
Non-Current Assets					
Fixed Assets	12				
- Tangible Assets		89,03,87,592		99,85,53,139	
- Intangible Assets		1,21,66,584		1,08,93,336	
- Capital Work in Progress		2,73,35,959		50,48,963	
- Intangible Assets under Development		-	92,98,90,135	11,44,701	1,01,56,40,139
Non Current Investments	13		17,55,14,187		7,26,91,210
Long Term Loans and Advances	14		8,99,04,055		8,66,31,338
Other Non Current Assets	15		23,80,952		11,90,476
Current Assets					
Inventories	16	98,34,50,178		93,57,66,146	
Trade Receivables	17	56,13,98,197		67,45,57,849	
Cash and Bank Balances	18	5,71,88,641		5,36,77,728	
Short Term Loans and Advances	19	26,80,22,049		22,89,97,776	
Other Current Assets	20	92,92,533	1,87,93,51,598	53,30,036	1,89,83,29,535
TOTAL			3,07,70,40,927		3,07,44,82,698

SIGNIFICANT ACCOUNTING POLICIES 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
-------------------------------------	----------------------	--	--	---

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

Place : New Delhi
Dated : 28.05.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year Ended March 31, 2013		Year Ended March 31, 2012	
		₹	₹	₹	₹
INCOME					
Revenue from Operations (Gross)	21	3,20,56,29,791		3,72,04,55,771	
Less: Excise Duty		25,31,86,665	2,95,24,43,126	28,51,71,646	3,43,52,84,125
Other Income	22		6,24,08,686		3,74,39,461
Total Revenue			3,01,48,51,812		3,47,27,23,586
EXPENSES					
Cost of Raw Materials Consumed	23		1,65,25,53,401		1,91,74,25,921
Purchase of Stock -in-Trade			1,24,13,705		1,60,94,770
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24		(6,45,13,109)		(5,68,00,749)
Employee Benefits Expense	25		35,72,57,132		39,33,61,009
Finance Costs	26		20,47,94,154		19,90,98,450
Depreciation and Amortisation Expense	27		9,43,43,590		10,79,42,718
Other Expenses	28		65,77,85,750		78,74,16,721
Total Expenses			2,91,46,34,623		3,36,45,38,840
Profit before Tax			10,02,17,189		10,81,84,746
Tax Expense:					
Current Tax / MAT			2,02,00,000		1,67,50,000
MAT Credit Entitlement			(1,52,00,000)		(1,67,50,000)
Deferred Tax			(97,17,737)		23,13,619
Short / (Excess) Provision for Tax for Earlier Years Provided / (Written Back)			5,54,698	(41,63,039)	(3,85,978)
Profit for the Year			10,43,80,228		10,62,57,105
Earnings per Share (Face Value ₹ 10)					
Basic and Diluted Earnings per Share (₹)	45		8.45		8.61
SIGNIFICANT ACCOUNTING POLICIES	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 (SURESH SETH) PARTNER M. NO. F-10577
--	-----------------------------	---	---	---

Place : New Delhi
Dated : 28.05.2013

Talbro Automotive Components Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	2012-13		2011-12	
	₹	₹	₹	₹
A. Cash flows from Operating Activities				
a. Net Profit before tax		10,02,17,189		10,81,84,746
Adjustments for:				
Depreciation/Amortisation	9,43,43,590		10,79,42,718	
Interest Expense	20,47,94,154		19,90,98,450	
Foreign Exchange Fluctuation	(19,14,367)		(16,52,999)	
Interest Income	(1,40,58,128)		(1,10,91,464)	
Dividend Income	(2,44,44,905)		(2,44,86,572)	
Loss /Profit on Sale of Assets	(15,97,238)		27,74,363	
Provision for doubtful receivables	23,05,997	25,94,29,103	24,16,718	27,50,01,214
b. Operating profit before Working Capital changes		35,96,46,292		38,31,85,960
Adjustments for:				
Current Assets, Loans and advances (Current & Non-Current)	7,71,03,777		(5,64,75,549)	
Inventories	(4,76,84,032)		(11,60,64,690)	
Current Liabilities (Current & Non-Current)	(9,85,21,746)	(6,91,02,001)	3,53,93,752	(13,71,46,487)
c. Cash generated from Operations		29,05,44,291		24,60,39,473
Direct Taxes (paid) / refund		(1,35,29,818)		(1,35,75,314)
Net Cash from Operating Activities		27,70,14,473		23,24,64,159
B. Cash flows from Investing Activities				
Proceeds from sale of Fixed Assets	10,53,20,477		46,63,497	
Movement in Inter-Corporate Deposits	(50,00,000)		85,50,000	
Interest Received	1,00,95,631		1,42,73,772	
Dividends Received	2,44,44,905		3,40,86,572	
Purchase of Fixed Assets	(10,63,78,191)		(11,51,44,233)	
Investments made	(10,28,22,977)		(1,90,70,540)	
Net Cash flow from investing activities		(7,43,40,155)		(7,26,40,932)
C. Cash flows from Financing Activities				
Interest Paid	(20,63,27,996)		(19,66,18,441)	
Movement in Other Bank Balances	(74,48,637)		16,71,899	
Proceeds from Borrowings	12,34,22,463		21,70,03,844	
Repayment of Borrowings	(9,92,04,416)		(14,32,20,122)	
Dividends Paid	(1,46,50,132)		(1,47,73,289)	
Dividend Tax Paid	(24,03,324)		(24,03,324)	
Net Cash flow from Financing Activities		(20,66,12,042)		(13,83,39,433)
D. Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		(39,37,724)		2,14,83,794
Cash and Cash Equivalents as at:				
– the beginning of the year		3,31,22,586		1,16,38,792
– the end of the year		2,91,84,862		3,31,22,586

Note : Previous year figures have been regrouped wherever necessary.

(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 : New Delhi
Dated : 28.05.2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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 the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and the estimate are recognized in the period in which the results are known / materialized.

c) Investments:

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

d) 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 a period of 36 months of usage.

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.

e) Fixed Assets

i) Tangible

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

ii) Intangible

Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard -26 "Intangible Assets".

Major Software Products are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

f) 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 Rubber Division is charged on straight line method on all fixed assets other than vehicles and on written down value method on vehicles as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

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.

Technical know how fee is amortised over the period of agreement but not exceeding ten years.

Expenditure on Major Software Products is written off over a period of 36 months from the month put to use except Forging Division where the Software Products are written off over a period of 60 months from the month put to use.

g) Revenue Recognition:

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

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

iii) Export incentives are accounted on accrual basis.

h) 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.

Talbro Automotive Components Limited

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.

i) 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 credit 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 credit method.
- v) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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, 2013

Particulars	Note No.	As at	
		March 31, 2013	March 31, 2012
		₹	₹
2. SHARE CAPITAL:			
Authorised Share Capital:		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)			
Issued, Subscribed and Paid-up:			
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
TOTAL		12,34,56,300	12,34,56,300

2.1 Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

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

	%	No. of Shares as at 31.03.2013	%	No. of Shares as at 31.03.2012
QH Talbros Ltd.	13.69	16,90,653	12.92	15,94,681

3. RESERVES AND SURPLUS :

Capital Reserves		15,21,000		15,21,000
Securities Premium Account		46,78,30,274		46,78,30,274
Revaluation Reserve				
As per last Balance Sheet	52,15,793		53,01,708	
Less: Transferred to Statement of Profit and Loss	77,323	51,38,470	85,915	52,15,793
General Reserve				
As per last Balance Sheet	2,98,22,715		2,48,22,715	
Add: Transferred from Surplus balance in the Statement of Profit and Loss	50,00,000	3,48,22,715	50,00,000	2,98,22,715
Surplus balance in Statement of Profit and Loss				
As per last Balance Sheet	28,51,77,800		20,11,38,775	
Profit for the Year	10,43,80,228		10,62,57,105	
Less: Allocations and Appropriations				
Proposed Dividend	1,48,14,756		1,48,14,756	
₹1.20 per share (Previous Year ₹1.20 per share)				
Corporate Dividend Tax	24,03,324		24,03,324	
Less: Transferred to General Reserve	50,00,000	36,73,39,948	50,00,000	28,51,77,800
TOTAL		87,66,52,407		78,95,67,582

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

4. LONG TERM BORROWINGS:

	Non-Current portion		Current Maturities		Total	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Secured, unless otherwise stated						
a) Term Loans:						
From Banks						
* State Bank of India	6,74,07,000	13,49,07,000	6,75,00,000	4,77,50,000	13,49,07,000	18,26,57,000
# Yes Bank	-	1,42,85,714	2,85,71,428	1,15,47,619	2,85,71,428	2,58,33,333
## Punjab National Bank	6,93,45,771	8,45,45,771	1,52,00,000	71,00,000	8,45,45,771	9,16,45,771
Against Security of Movable Fixed Assets on Hire Purchase Basis	48,69,444	1,12,98,399	1,03,98,456	1,58,41,561	1,52,67,900	2,71,39,960
	14,16,22,215	24,50,36,884	12,16,69,884	8,22,39,180	26,32,92,099	32,72,76,064
From Others						
** Bajaj Finance Ltd. Orix Auto Infrastructure Services Ltd.	2,07,06,227	-	22,93,773	-	2,30,00,000	-
(Against Security of Movable Fixed Assets on Hire Purchase Basis)	-	17,60,987	18,56,908	81,81,874	18,56,908	99,42,861
b) Deposits (Unsecured)						
Fixed Deposits from Public	8,83,47,000	8,03,66,220	4,72,88,220	6,03,87,000	13,56,35,220	14,07,53,220
Total	25,06,75,442	32,71,64,091	17,31,08,785	15,08,08,054	42,37,84,227	47,79,72,145
Amount disclosed under the head "Other Current Liabilities" (Note no. 10)			17,31,08,785	15,08,08,054		

Notes:-

- Term Loans from State Bank of India carrying rate of interest @ 13.30% per annum is secured by first exclusive charge over the fixed assets at the Sitarganj Plant including Land & Building and is further secured by personal guarantee of two directors.
- Term loan from Bajaj Finance Ltd carrying rate of interest @ 11.90% per annum is secured by first charge over existing Plant & Machinery of the company's Gasket Division situated at Faridabad and is further secured by personal guarantee of two directors.
- # Term loan from Yes Bank carrying rate of interest @ 12.50% per annum is secured by way of subservient charge on current assets and movable fixed assets and personal guarantee of three directors.
- ## Term Loan from Punjab National Bank carrying rate of interest @ 13.75% per annum is secured by way of first charge on the specific fixed assets financed out of this loan and is further secured by second pari-passu charge on entire current assets, present & future and personal guarantee of two directors.

4.1 Terms of Repayment of Long Term Borrowings

Particulars	Maturity profile of Long Term Borrowings					
	2013-14	2014-15	2015-16	2016-17	2017-18	Total
From Banks						
State Bank of India	6,75,00,000	6,74,07,000	-	-	-	13,49,07,000
Yes Bank	2,85,71,428	-	-	-	-	2,85,71,428
Punjab National Bank	1,52,00,000	2,11,75,000	2,83,00,000	1,98,70,771	-	8,45,45,771
Against Security of Movable Fixed Assets on Hire Purchase Basis	1,03,98,456	40,31,684	8,37,760	-	-	1,52,67,900
From Others						
Bajaj Finance Ltd.	22,93,773	43,96,523	49,49,209	55,71,374	57,89,121	2,30,00,000
Orix Auto Infrastructure Services Ltd.	18,56,908	-	-	-	-	18,56,908
Deposits (Unsecured)	4,72,88,220	3,29,71,000	5,53,76,000	-	-	13,56,35,220
Total	17,31,08,785	12,99,81,207	8,94,62,969	2,54,42,145	57,89,121	42,37,84,227

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
5. DEFERRED TAX LIABILITIES (NET)

	Deferred Tax Assets / (Liabilities) As at 31.03.2012 ₹	(Charge) / Credit during the year ₹	Deferred Tax Assets/ (Liabilities) As at 31.03.2013 ₹
The deferred tax assets / liabilities as at 31st March 2013 comprise of the following :			
Depreciation	(8,04,51,220)	74,71,207	(7,29,80,013)
Disallowances u/s 43B	57,01,863	16,08,130	73,09,993
Provision for doubtful receivables / advances	38,99,228	6,38,400	45,37,628
TOTAL	(7,08,50,129)	97,17,737	(6,11,32,392)

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
6. OTHER LONG TERM LIABILITIES				
Security Deposits		22,26,000		-
Enhanced cost of Land payable to HSIIDC		90,76,643		-
Total		1,13,02,643		-
7. LONG-TERM PROVISIONS:				
Provision for Leave Encashment		95,79,971		80,79,651
Provision for Gratuity		2,85,32,147		2,41,91,071
Total		3,81,12,118		3,22,70,722
8. SHORT TERM BORROWINGS:				
Secured, unless otherwise stated				
a) Working Capital Loans				
From Banks				
State Bank of India*		27,93,65,506		20,52,29,562
ICICI Bank*		2,54,31,258		1,88,11,861
State Bank of Patiala*		17,97,96,044		16,97,30,145
Punjab National Bank*		19,82,05,848		19,69,87,281
Yes Bank**		49,78,193		43,82,035
From Others				
Bajaj Finance Ltd. (Unsecured)***		4,50,00,000		5,00,00,000
b) Deposits (Unsecured)				
Fixed Deposits from Public		1,32,50,000		2,30,07,000
Inter Corporate Deposit		1,00,00,000		1,00,00,000
Total		75,60,26,849		67,81,47,884

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 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.

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
9. TRADE PAYABLES:				
Acceptances		27,67,91,414		33,56,21,090
Trade Payables (Refer Note no. 35)		36,44,60,694		43,71,62,852
Total		64,12,52,108		77,27,83,942
10. OTHER CURRENT LIABILITIES:				
Current Maturities of Long Term Borrowings		17,31,08,785		15,08,08,054
Interest accrued but not due on Borrowings		1,18,48,561		1,28,40,649
Interest accrued and due on Borrowings		28,87,331		34,98,697
Liability towards Investors Education and Protection Fund*				
– Unclaimed Dividend	18,99,883		17,35,259	
– Unclaimed Matured Deposits	19,84,000		14,57,000	
– Interest accrued on Unclaimed Matured Deposits	2,84,269		2,14,657	
– Unclaimed Fractional Shares	3,087	41,71,239	3,087	34,10,003
Employee Related Payables		3,13,86,027		3,33,00,639
Statutory Liabilities		2,87,14,173		3,48,17,157
Advance Received from Customers		1,95,97,321		1,68,23,911
Enhanced cost of Land payable to HSIIDC		60,67,954		-
Others		1,70,77,240		51,55,546
TOTAL		29,48,58,631		26,06,54,656
* There are no amounts due for payment to Investors Education and Protection Fund.				
11. SHORT-TERM PROVISIONS :				
Leave Encashment		23,85,420		23,69,312
Taxation (Net of advances)		39,68,537		-
Proposed Dividend		1,48,14,756		1,48,14,756
Corporate Dividend Tax		24,03,324		24,03,324
TOTAL		2,35,72,037		1,95,87,392

12. Fixed Assets

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Cost as at 01.04.2012	Additions during the year	Deductions during the year	Cost as at 31.03.2013	As at 01.04.2012	For the year	Deductions during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
(i) Tangible Assets										
Land										
-Freehold *	3,45,76,335	1,82,03,863	-	5,27,80,198	-	-	-	-	5,27,80,198	3,45,76,335
-Leasehold	4,13,98,978	-	-	4,13,98,978	16,62,837	4,59,799	-	21,22,637	3,92,76,342	3,97,36,141
Buildings	32,51,05,706	73,53,773	2,72,939	33,21,86,541	8,89,95,510	1,06,49,527	2,72,939	9,93,72,099	23,28,14,442	23,61,10,197
Plant, Machinery & Equipments @	1,23,26,99,056	4,61,52,132	43,70,20,083	84,18,31,106	66,50,64,926	5,95,54,006	33,90,45,178	38,55,73,754	45,62,57,352	56,76,34,129
Motor Vehicles **	8,57,03,795	68,82,243	1,67,15,132	7,58,70,906	4,07,42,474	1,18,67,655	1,20,17,985	4,05,92,145	3,52,78,762	4,49,61,321
Furniture & Fixtures	3,50,56,719	15,85,440	11,43,847	3,54,98,312	2,14,96,540	18,36,100	11,42,202	2,21,90,437	1,33,07,875	1,35,60,179
Office Equipments	2,30,35,805	13,82,142	12,28,332	2,31,89,614	1,22,21,254	12,05,436	5,19,593	1,29,07,097	1,02,82,518	1,08,14,551
Electrical Installation	6,30,12,135	29,97,358	4,20,745	6,55,88,749	1,83,61,622	30,14,631	79,942	2,12,96,311	4,42,92,438	4,46,50,514
Air-Conditioning Plant	78,11,888	-	-	78,11,888	19,27,815	3,84,728	-	23,12,544	54,99,344	58,84,072
Tube-Well	10,51,423	-	-	10,51,423	4,25,723	27,378	-	4,53,101	5,98,322	6,25,700
Total	1,84,94,51,840	8,45,56,952	45,68,01,077	1,47,72,07,715	85,08,98,701	8,89,99,260	35,30,77,838	58,68,20,123	89,03,87,592	99,85,53,139
Previous Year	1,76,68,66,269	12,32,20,389	4,06,34,817	1,84,94,51,840	78,27,44,030	10,13,51,628	3,31,96,957	85,08,98,701	99,85,53,139	

*Includes Land valuing ₹ 4,37,63,667 (Previous Year ₹ 2,55,59,804) for which the title is yet to be registered in the Company's name.

** Includes cost of Vehicles ₹ 4,60,95,803 (Previous Year ₹ 5,77,25,344) acquired under hire purchase arrangement.

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

(ii) Intangible Assets

Computer Software	1,70,19,834	13,48,550	-	1,83,68,384	1,49,20,193	15,88,815	-	1,65,09,008	18,59,375	20,99,641
Technical Know-How	3,63,51,109	53,46,352	-	4,16,97,461	2,75,57,414	38,32,838	-	3,13,90,252	1,03,07,209	87,93,695
Total	5,33,70,943	66,94,902	-	6,00,65,845	4,24,77,607	54,21,653	-	4,78,99,260	1,21,66,584	1,08,93,336
Previous Year	4,94,42,918	39,28,025	-	5,33,70,943	3,58,00,604	66,77,003	-	4,24,77,607	1,08,93,336	
iii) Capital Work In Progress										
Capital work in progress									2,73,35,959	50,48,963
iv) Intangible Assets Under Development										
Computer Software										11,44,701

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	<u>As at March 31, 2013</u>	<u>As at March 31, 2012</u>
	₹	₹
13. NON-CURRENT INVESTMENTS:		
Unquoted : At Cost		
a) Trade Investments:		
In Joint Ventures		
– Nippon Leakless Talbros Pvt. Ltd 48,00,000 Equity Shares (Previous year 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. 50,30,000 Equity Shares (Previous year 5,000 Equity Shares) of ₹ 10/- each fully paid up Share Application money	5,03,00,000	50,000 50,00,000
– Talbros Marugo Rubber Pvt. Ltd. 45,10,000 Equity Shares (Previous year Nil Equity Shares) of ₹ 10/- each fully paid up Share Application money	4,51,00,000	-
	49,72,741	-
In Associates		
QH Talbros Limited		
1,77,962 Equity Shares (Previous year 1,77,962 Equity Shares) of ₹ 10/- each fully paid	32,45,680	32,45,680
– Talbros International Ltd. 1,08,700 Equity Shares (Previous year Nil Equity Shares) of ₹ 10/- each fully paid	75,00,236	-
b) Non Trade Investments :		
– T & T Motors Ltd. 83,333 Equity Shares (Previous Year 83,333 Equity Shares) of ₹ 10/- each fully paid	13,74,990	13,74,990
– Caparo Power Ltd. 11,47,134 Equity Shares (Previous year 11,47,134 Equity Shares) of ₹ 10/- each fully paid up 2,54,920, 2% Cumulative Redeemable Preference Shares (Previous year 2,54,920 Shares) of ₹ 10/- each fully paid up	1,14,71,340	1,14,71,340
	25,49,200	25,49,200
In Mutual Funds		
1,00,000 units (Previous Year 1,00,000 units) of ₹ 10/- each of SBI Infrastructure Fund-1-Growth	10,00,000	10,00,000
TOTAL	<u>17,55,14,187</u>	<u>7,26,91,210</u>
NOTES:		
Book Value of Unquoted Investments	17,55,14,187	7,26,91,210
– Net Asset value of Mutual Funds	7,27,750	7,81,000
14. Long Term Loans and advances:		
Unsecured Considered good		
– Capital Advances	59,39,803	1,19,55,761
– Security deposits	75,92,095	69,08,947
– Advance Tax (Net of Provision)	-	32,82,004
– MAT Credit Entitlement	7,63,72,157	6,14,84,626
– Inter Corporate Deposit	-	30,00,000
TOTAL	<u>8,99,04,055</u>	<u>8,66,31,338</u>

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
15. OTHER NON-CURRENT ASSETS				
Bank Deposits with more than 12 months maturity (Under Lien with Bank)		23,80,952		11,90,476
TOTAL		23,80,952		11,90,476
16. INVENTORIES:				
(Taken, valued and certified by the Management at lower of cost or net realisable value unless otherwise stated)				
Raw Material (Includes in transit ₹ 4,96,82,964 Previous year ₹ 6,99,37,268)		29,78,85,047		32,96,71,088
Work in Progress		33,84,38,773		26,00,63,204
Finished Goods		16,66,06,636		17,92,75,276
Stock in Trade		6,75,035		18,68,855
Stores & Spares (Includes in transit ₹ 4,78,557 Previous year ₹ 3,94,284)		17,98,44,687		16,48,87,723
TOTAL		98,34,50,178		93,57,66,146
16.1 WORK IN PROGRESS INCLUDE				
Gaskets		25,35,72,474		16,28,82,304
Forgings		8,45,90,548		8,59,42,308
Rubber		2,75,751		1,12,38,592
TOTAL		33,84,38,773		26,00,63,204
17. TRADE RECEIVABLES				
Unsecured:				
Outstanding for a period exceeding six months				
– Considered Good	3,87,62,403		3,00,10,245	
– Considered Doubtful	63,58,077	4,51,20,480	61,66,074	3,61,76,319
Others: Considered Good		52,26,35,794		64,45,47,604
		56,77,56,274		68,07,23,923
Less : Provision for Doubtful Trade Receivables		63,58,077		61,66,074
Total		56,13,98,197		67,45,57,849
17.1 TRADE RECEIVABLES FROM PRIVATE COMPANIES IN WHICH DIRECTORS ARE INTERESTED				
Nippon Leakless Talbro Private Ltd.		-		30,15,540
Talbro Marugo Rubber Pvt. Ltd.		75,40,697		-
TOTAL		75,40,697		30,15,540

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
18. CASH AND BANK BALANCES :				
(a) Cash and Cash Equivalents				
Balances with Banks		1,66,62,622		3,00,30,663
Cash on hand		35,22,240		30,91,923
Cheques in hand		90,00,000		-
TOTAL		2,91,84,862		3,31,22,586
(b) Other Bank Balances				
Margin Money (pledged with banks)		1,29,42,055		97,15,431
Bank Deposits		1,31,60,000		91,02,611
Earmarked balances with Banks for Unclaimed Dividend		19,01,724		17,37,100
		2,80,03,779		2,05,55,142
TOTAL		5,71,88,641		5,36,77,728
19. SHORT TERM LOANS AND ADVANCES:				
Unsecured Considered good				
Loans and Advances to Related Parties		5,12,18,782		1,26,32,232
Inter Corporate Deposits		7,00,00,000		6,20,00,000
Advances recoverable in cash or in kind or for value to be received				
- Considered Good	6,61,59,706		5,46,14,469	
- Considered Doubtful	75,25,864		57,50,000	
	7,36,85,570		6,03,64,469	
Less : Provision for Doubtful Advances	75,25,864	6,61,59,706	57,50,000	5,46,14,469
Balances with Central Excise & Other Authorities		7,93,55,187		9,85,82,260
Claims Receivable		12,88,374		11,68,815
TOTAL		26,80,22,049		22,89,97,776
19.1 ADVANCES TO RELATED PARTIES INCLUDE:				
QH Talbros Ltd.		17,14,189		1,11,21,188
Talbros Marugo Rubber Pvt.Ltd.		8,96,634		-
Magnet Marelli Talbros Chasis Systems Private Limited		4,86,07,959		15,11,044
TOTAL		5,12,18,782		1,26,32,232
20 OTHER CURRENT ASSETS :				
Interest accrued on deposits		92,92,533		53,30,036
TOTAL		92,92,533		53,30,036

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
	₹	₹
21. REVENUE FROM OPERATIONS :		
Sale of Products	3,06,51,17,214	3,54,66,44,888
Sale of Services	1,71,86,035	3,01,32,510
Other Operating Revenues	12,33,26,542	14,36,78,373
	<u>3,20,56,29,791</u>	<u>3,72,04,55,771</u>
Less: Excise Duty	25,31,86,665	28,51,71,646
TOTAL	<u>2,95,24,43,126</u>	<u>3,43,52,84,125</u>
21.1 REVENUE FROM OPERATIONS (GROSS) INCLUDE:		
Gaskets	2,36,45,86,309	2,35,66,53,603
Forgings	63,11,00,613	75,06,85,345
Rubber	6,95,05,436	43,93,05,940
IT Services	1,11,85,890	1,37,82,510
Management Fees	59,25,000	1,63,50,000
Others	12,33,26,542	14,36,78,373
TOTAL	<u>3,20,56,29,791</u>	<u>3,72,04,55,771</u>
22. OTHER INCOME:		
Interest Income on :		
– Inter Corporate Deposits	99,43,439	92,00,505
– Fixed Deposits with Banks	23,58,882	16,37,534
– Others	17,55,807	2,53,425
Dividend from Long Term Trade Investments	2,44,44,905	2,44,86,572
Royalty	52,28,620	-
Lease Rentals	92,05,000	-
Net Gain on Foreign Currency Transactions & Translation	27,02,664	-
Profit on Sale of Fixed Assets (Net)	15,97,238	-
Surrender Value of Keyman Insurance Policy received	34,88,783	-
Miscellaneous Income	16,83,348	18,61,425
TOTAL	<u>6,24,08,686</u>	<u>3,74,39,461</u>
23. COST OF RAW MATERIALS CONSUMED:		
Cost of Materials Consumed	1,65,25,53,401	1,91,74,25,921
TOTAL	<u>1,65,25,53,401</u>	<u>1,91,74,25,921</u>
23.1 COST OF RAW MATERIALS CONSUMED INCLUDE		
(a) Cost of Raw Materials consumed under broad heads		
Tinplate/P.C.R.C./Steel	45,41,19,981	56,42,94,914
Jointing	41,50,33,140	48,93,75,921
Forging Steels	29,74,83,281	36,94,23,747
Bought Out of auto components & parts	18,60,77,752	19,53,03,486
Others	29,98,39,247	29,90,27,853
TOTAL	<u>1,65,25,53,401</u>	<u>1,91,74,25,921</u>
(b) Purchases of Stock-in -Trade		
Dyna Bond	1,24,13,705	1,60,94,770
TOTAL	<u>1,24,13,705</u>	<u>1,60,94,770</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
	₹	₹
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE :		
(a) Manufactured Goods :		
Auto Components & Parts		
Closing Stock		
Finished Goods	16,66,06,636	17,92,75,276
Work-In-Progress	33,84,38,773	26,00,63,204
TOTAL	50,50,45,409	43,93,38,480
Less :		
Opening Stock		
Finished Goods	17,92,75,276	16,77,67,032
Work-In-Progress	26,00,63,204	21,66,39,554
	43,93,38,480	38,44,06,586
Changes in Finished Goods and Work in Progress	6,57,06,929	5,49,31,894
(b) Traded Goods:		
Closing Stock	6,75,035	18,68,855
Opening Stock	18,68,855	-
Changes in Stock in Trade	(11,93,820)	18,68,855
TOTAL	6,45,13,109	5,68,00,749
25. EMPLOYEE BENEFITS EXPENSE :		
Salaries and Wages	30,31,19,530	34,31,30,965
Contribution to Provident and other Funds	2,82,73,702	2,22,70,043
Staff Welfare Expenses	2,58,63,900	2,79,60,001
TOTAL	35,72,57,132	39,33,61,009
26. FINANCE COSTS :		
Interest Expense	18,98,08,335	18,37,80,540
Other Borrowing Cost	1,49,85,819	1,53,17,910
TOTAL	20,47,94,154	19,90,98,450
27. DEPRECIATION AND AMORTISATION EXPENSE :		
Depreciation	8,89,99,260	10,13,51,628
Less:- Transfer from Revaluation Reserve	77,323	85,915
	8,89,21,937	10,12,65,713
Amortisation	54,21,653	66,77,005
TOTAL	9,43,43,590	10,79,42,718

Talbros Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
	₹	₹
28. OTHER EXPENSES :		
Consumption of Stores & Spares parts	15,68,41,067	19,31,35,119
Labour & Processing Charges	4,50,93,180	8,04,29,558
Royalty	16,78,515	14,30,899
Power & Fuel	16,10,53,376	16,68,05,414
Rent	12,15,604	8,35,968
Repairs to Buildings	48,80,547	59,99,432
Repairs to Plant & Machinery	2,38,99,204	3,68,83,817
Repairs to other Assets	82,61,491	77,44,759
Insurance	68,86,298	72,16,018
Travelling, Tour & Conveyance	5,07,39,824	5,07,54,039
Discount on Sales	3,86,26,769	4,12,32,508
Sales Promotion expenses	2,75,49,942	2,78,26,530
Packing, Freight & Forwarding	7,31,90,454	9,19,93,823
Rates and taxes	16,69,165	14,42,183
Remuneration to Auditors	12,12,000	9,72,500
Provision for Doubtful debts / Advances	23,05,997	24,16,718
Loss on sale of fixed assets	-	27,74,363
Excise duty on Increase/(Decrease) of Finished Goods	(39,24,476)	36,16,165
Net Loss on Foreign Currency Transactions & Translation	-	49,65,416
Miscellaneous Expenses	5,66,06,793	5,89,41,492
TOTAL	65,77,85,750	78,74,16,721

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

29. CONTINGENT LIABILITIES AND COMMITMENTS : (to the extent not provided for)

29.1 CONTINGENT LIABILITIES :

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

	Nature of Dues	As at	As at
		March 31, 2013	March 31, 2012
		₹	₹
(a) Central Excise	Classification of paper gasket	14,17,866	14,17,866
(b) Service Tax	Cenvat credit disallowed	55,47,875	73,38,232
(c) Central Sales Tax	Central Sales Tax	15,51,616	18,94,185
(d) Haryana Value Added Tax	Disallowance of input tax	2,73,548	2,73,548
(e) Central Excise	Demand on Assessable value (Ex.)	60,25,898	54,26,357
(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
(i) High Court, Mumbai	Fees for building work	2,05,000	2,05,000
(j) Central Sales Tax	Non filing of return	35,000	-
TOTAL		1,96,33,653	3,40,79,592

(ii) Guarantees executed in favour of various authorities/ Customers/Others amounting to ₹ 2,79,01,046 (Previous Year ₹ 2,82,44,065).

(iii) Corporate Guarantee executed in favour of ICICI Bank Ltd. amounting to ₹ 10.47 Crores (USD 1.91 Millions) {Previous Year ₹ 9.86 Crores (USD 1.91 Millions)} against term borrowing of QH Talbros Ltd., an Associate Company, the outstanding as on March 31, 2013 is ₹ Nil (Previous Year 4.93 Crore (USD 9,55,000)).

(iv) Bills discounted with Banks ₹ 2,23,62,956 (Previous year ₹1,80,77,110).

29.2 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) - ₹ 1,26,32,794 (Previous Year ₹1,97,07,862).

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	%	₹	%	₹

30. COMPOSITION OF RAW MATERIALS AND COMPONENTS CONSUMED:- IMPORTED & INDIGENOUS (as certified by the management)

Imported	35.67%	58,94,57,083	30.20%	57,91,23,484
Indigenous	64.33%	1,06,30,96,318	69.80%	1,33,83,02,437
TOTAL	100.00%	1,65,25,53,401	100.00%	1,91,74,25,921

31. COMPOSITION OF STORES AND SPARES CONSUMED: - IMPORTED & INDIGENOUS (as certified by the management)

Imported	7.65%	1,20,03,374	8.72%	1,68,33,761
Indigenous	92.35%	14,48,37,693	91.28%	17,63,01,358
TOTAL	100.00%	15,68,41,067	100.00%	19,31,35,119

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	%	₹	%	₹
32. PAYMENT TO AUDITORS:				
As Auditors:				
Audit Fee		6,30,000		5,30,000
(including ₹ 80,000 (Previous year ₹ 80,000) to Branch Auditors)				
Tax Audit Fee		1,70,000		1,20,000
(including ₹ 20,000 (Previous year ₹ 20,000) to Branch Auditors)				
Limited Review		2,31,500		1,81,500
(including ₹ 31,500 (Previous year ₹ 31,500) to Branch Auditors)				
In other capacity:				
Other Services		1,80,500		1,41,000
		12,12,000		9,72,500
33. FOREIGN CURRENCY TRANSACTIONS:				
33.1 Value of Imports Calculated on C.I.F.basis:				
a) Raw Materials, Stores & Spares		52,77,94,115		48,75,46,815
b) Plant and Machinery		1,66,27,129		2,21,61,951
c) Tools & Dies		1,49,40,463		1,23,42,691
33.2 Expenditure				
a) Selling Agency Commission remitted		15,37,590		21,55,775
b) Foreign Travel		1,87,14,604		1,58,38,499
c) Foreign Subscription, Newspaper & Periodicals		93,660		21,622
d) Royalty		15,98,586		14,30,381
e) Technical Know How Fee		50,95,102		22,25,458
f) Export Promotion Expenses		6,32,623		1,24,672
g) Exhibits & Shows		17,64,610		7,91,867
h) Interest on ECB Loan		-		13,21,927
i) ECB Loans Repayments		-		2,62,31,417
33.3 Remittance in Foreign Currency on account of Dividend				
Year	Nos of Share held	Nos of non resident		
2011-12	366752	26	4,40,102	4,40,102
33.4 Earnings in Foreign Exchange:				
Value of Exports on F.O.B. basis		57,56,65,333		60,92,25,611

34. 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 31.03.2013, estimated at ₹ 6,50,173 (Previous year ₹6,73,291) 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 ₹ 6,50,173 (Previous year ₹6,73,291). 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 31.03.2013.

35. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under this Act and as required by Schedule VI of Companies Act, 1956 have not been given.

36. Small Industries Development Bank of India (SIDBI) has sanctioned a limit of ₹ 1300 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 31st March, 2013 amounted to ₹ 6,05,22,344 (Previous Year ₹ 10,03,50,773). These amounts have already been provided in the books of account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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, 2013	Year Ended March 31, 2012
	₹	₹
Other Expenses	23,34,627	12,92,411

39. RELATED PARTY DISCLOSURES

As per the Accounting Standard-18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the Company's related parties and their transactions are as follows :

A) Name of the Related Parties and Nature of Relationship:

Name of the Parties	Nature of Relationship
i) Joint Ventures and Associates	
Nippon Leakless Talbros Pvt. Ltd.	Joint Venture
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Joint Venture
Talbros Marugo Rubber Pvt. Ltd.	Joint Venture
QH Talbros Ltd	Associate
Talbros International Ltd.	Associate
ii) Key Management Personnel and their Relatives	
Mr. Umesh Talwar	Vice Chairman and Managing Director
Mr. Varun Talwar	Joint Managing Director
Mr. Anuj Talwar	Executive Director (from August 14, 2012)
Mrs. Kum Kum Talwar	Mother of Mr. Varun Talwar
Mr. Anuj Talwar	Son of Mr. Umesh Talwar (upto August 13, 2012)

B) Transactions with Related Parties:

	Year Ended March 31, 2013	Year Ended March 31, 2012
	₹	₹
I) Transactions with Joint Ventures and Associates		
a) Sale of Products	18,24,25,905	59,09,57,828
Talbros Marugo Rubber Pvt. Ltd.	75,40,697	-
QH Talbros Ltd	17,48,85,208	59,09,57,828
b) Sale of Services	66,57,350	1,80,34,050
Nippon Leakless Talbros Pvt. Ltd.	66,57,350	1,80,34,050
c) Royalty Income	61,49,380	-
QH Talbros Ltd	61,49,380	-
d) Purchase of Goods	2,14,40,712	2,73,20,800
Nippon Leakless Talbros Pvt. Ltd.	2,14,40,712	80,10,960
QH Talbros Ltd	-	1,93,09,840
e) Dividend Received	2,44,44,905	2,44,44,905
Nippon Leakless Talbros Pvt. Ltd.	2,40,00,000	2,40,00,000
QH Talbros Ltd	4,44,905	4,44,905
f) Lease rental Income	1,00,04,544	-
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	1,00,04,544	-

Talbro Automotive Components Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013	Year Ended March 31, 2012
	₹	₹
g) Transfer of Assets (net) under slump sale	14,88,74,736	-
Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	10,41,94,396	-
Talbro Marugo Rubber Pvt. Ltd.	4,46,80,340	-
h) Reimbursement of expenses/payments	1,21,53,975	-
Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	75,52,617	-
Talbro Marugo Rubber Pvt. Ltd.	46,01,358	-
l) Interest Income	10,04,900	-
Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	10,04,900	-
j) Investment in Equity Share Capital during the year	10,28,50,236	50,000
Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	5,02,50,000	50,000
Talbro Marugo Rubber Pvt. Ltd.	4,51,00,000	-
Talbro International Ltd.	75,00,236	-
k) Investment in Share Application Money during the year	49,72,741	50,00,000
Talbro Marugo Rubber Pvt. Ltd.	49,72,741	50,00,000
l) Outstanding Balance included in Trade Receivables	7,10,55,383	18,10,87,958
Talbro Marugo Rubber Pvt. Ltd.	75,40,697	30,15,540
QH Talbro Ltd	6,35,14,686	17,80,72,418
m) Outstanding Balance included in Loans and Advances	5,12,18,782	1,26,32,232
Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	4,86,07,959	15,11,044
Talbro Marugo Rubber Pvt. Ltd.	8,96,634	-
QH Talbro Ltd	17,14,189	1,11,21,188
n) Outstanding Balance included in Trade Payables	1,04,75,686	-
Nippon Leakless Talbro Pvt. Ltd.	1,04,75,686	-
II) Transactions with Key Management Personnel		
Remuneration*	1,10,30,411	85,15,444
Mr. Umesh Talwar	45,87,996	45,70,644
Mr. Varun Talwar	39,44,800	39,44,800
Mr. Anuj Talwar	24,97,615	-
III) Transactions with Relatives of Key Management Personnel		
Remuneration	14,14,241	46,54,744
Mr. Anuj Talwar	14,14,241	46,54,744
Rent paid	3,60,000	-
Mrs. Kum Kum Talwar	3,60,000	-

*Provision for contribution to gratuity fund and leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	₹	₹	₹	₹
40. EMPLOYEE BENEFITS				
40.1 DEFINED CONTRIBUTION PLANS:				
a) Employer's Contribution to Superannuation Fund		33,74,052		33,24,537
b) Employer's Contribution to Provident Fund		1,56,74,929		1,54,90,778
40.2 DEFINED BENEFIT PLANS:				
a) Gratuity and Leave Encashment				
i) Change in the Present Value of the Obligation:				
		GRATUITY	LEAVE ENCASHMENT	
		2012-13	2011-12	2012-13
		2011-12	2012-13	2011-12
- Obligation at the beginning of the year	5,65,31,496	5,72,81,110	1,04,48,963	75,57,872
- Current Service Cost	42,11,939	40,73,575	43,60,399	61,50,513
- Interest Cost	45,22,520	45,82,489	5,00,355	4,65,851
- Actuarial Gains/ Loss	(6,10,688)	(17,44,648)	6,85,153	7,42,447
- Benefits paid during the year	(58,14,599)	(76,61,030)	(40,29,479)	(44,67,720)
- Obligation at the end of the year	5,88,40,668	5,65,31,496	1,19,65,391	1,04,48,963
ii) Change in the Fair Value of the Plan Assets				
- Plan Assets at the beginning of the year	3,23,40,425	3,00,77,724	-	-
- Expected return on Plan Assets	27,64,143	27,17,978	-	-
- Contributions by employer	8,00,000	72,05,753	-	-
- Actuarial Gains/ Loss			-	-
- Benefits Paid during the year	(58,14,599)	(76,61,030)	(40,29,479)	(44,67,720)
- Plan Assets at the end of the year	3,00,89,969	3,23,40,425	(40,29,479)	(44,67,720)
iii) Amount of Obligations & Assets recognized in the Balance Sheet				
- Present Value of Obligations at the end of the year	5,88,40,668	5,65,31,496	1,19,65,391	1,04,48,963
- Fair Value of Assets at the end of the year	3,00,89,969	3,23,40,425	-	-
- Net Obligation recognized in the Balance Sheet	2,87,50,699	2,41,91,071	1,19,65,391	1,04,48,963
iv) Expenses Recognized in the Statement of Profit and Loss				
- Current Service Cost	(42,11,939)	(1,22,920)	(43,60,399)	(61,50,513)
- Interest Cost	(45,22,520)	(45,82,489)	(5,00,355)	(4,65,851)
- Expected return on Plan Assets	25,72,772	25,74,128	-	-
- Actuarial Gains/ Loss	6,10,688	17,44,648	(6,85,153)	(7,42,447)
- Total	(55,50,999)	(3,86,633)	(55,45,907)	(73,58,811)
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, 2013

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 capabilities for Suspension Systems, decided to sell its Stamping Business currently limited to manufacture of Sheet Metal parts and components of suspension systems by way of slump sale on a going concern basis to a separate 50:50 joint venture with Sistemi Suspendioni, a wholly owned subsidiary of Magneti Marelli, Italy. It was approved by the shareholders on January 6, 2012 and accordingly, all the related movable fixed assets and net current assets amounting to ₹717.11 Lacs and ₹332.85 Lacs respectively, were transferred at their book value to the joint venture company, Magneti Marelli Talbro Chassis Systems Private Limited effective April 1, 2012. Stamping business during the previous year contributed ₹ 4,042.62 Lacs to the gross revenue of the company. In view of this, current year figures are not directly comparable with the corresponding figures of previous year.
43. The management in order to acquire new technology to move up in the supply chain and to design and manufacture new Rubber Components, decided to sell its Rubber Components business (other than Rubber Gaskets) by way of slump sale on a going concern basis to a separate joint venture company, Talbro Marugo Rubber Private Limited, wherein Talbro Automotive Components Limited holds one share less than 50% equity capital. The remaining equity is held by the other JV partner, Marugo Rubber Industries, Japan. It was approved by the shareholders on September 29, 2012 and accordingly, all the related movable fixed assets and net current assets amounting to ₹ 2,51.97 Lacs and ₹96.93 Lacs respectively, were transferred at their book value to the joint venture company, effective January 15, 2013. Rubber business during the previous year contributed ₹ 6,65.59 Lacs to the gross revenue of the company. In view of this, current year figures are not directly comparable with the corresponding figures of previous year.
44. **Interest in Joint Ventures**
The Company has invested in three joint venture companies namely, Nippon Leakless Talbro Pvt. Limited, Magneti Marelli Talbro Chassis Systems Pvt. Limited and Talbro Marugo Rubber Pvt. Limited wherein Company holds 40%, 50% and 50% ownership interests respectively. The proportionate assets, liabilities, expenses and incomes have been disclosed in the Consolidated Financial Statements.

45. **Earnings Per Share :**

Basic and Diluted Earnings per Share	Year Ended March 31, 2013	Year Ended March 31, 2012
a) Calculation of weighted average number of Equity Shares		
Number of Equity Shares at the beginning of the year	1,23,45,630	12,345,630
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	10,43,80,228	10,62,57,105
c) Basic and Diluted Earnings per Share (Face value of ₹ 10 each)	8.45	8.61

46. The Company has provided Minimum Alternate Tax (MAT) due to brought forward unabsorbed depreciation and accumulated losses of the amalgamating Companies, and is entitled for MAT Credit amounting to ₹ 7,63,72,157 (Previous Year ₹ 6,14,84,626) as per provisions of Income Tax Act, 1961.
47. Previous year figures have been regrouped/rearranged wherever considered necessary.

(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 : New Delhi
Dated : 28.05.2013

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

Talbro Automotive Components Limited

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Talbro Automotive Components Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Talbro Automotive Components Limited ("the Company") and its Joint Ventures (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated 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
Membership No. 010577

Place : New Delhi
Date : May 28, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds:					
Share Capital	2	12,34,56,300		12,34,56,300	
Reserves and Surplus	3(a)	93,58,06,486	1,05,92,62,786	84,78,28,881	97,12,85,181
Share Application Money Pending Allotment	3(b)		-		-
Non-Current Liabilities					
Long Term Borrowings	4	25,71,80,760		32,71,64,091	
Deferred Tax Liabilities (Net)	5	6,43,51,128		7,54,25,747	
Other Long Term Liabilities	6	1,13,02,643		-	
Long Term Provisions	7	3,99,20,416	37,27,54,947	3,24,88,477	43,50,78,315
Current Liabilities					
Short Term Borrowings	8	75,70,35,010		67,81,47,884	
Trade Payables	9	75,33,61,271		82,21,65,098	
Other Current Liabilities	10	33,13,02,214		28,76,84,610	
Short Term Provisions	11	2,69,99,791	1,86,86,98,285	1,96,60,236	1,80,76,57,828
TOTAL			3,30,07,16,018	3,21,40,21,324	
ASSETS:					
Non-Current Assets					
Fixed Assets	12				
– Tangible Assets		1,01,30,61,400		1,06,29,30,956	
– Intangible Assets		3,89,06,492		1,09,13,586	
– Capital Work in Progress		3,87,06,391		50,48,963	
– Intangible Assets under Development		4,55,986	1,09,11,30,269	11,44,701	1,08,00,38,206
Non Current Investments	13		2,96,27,817		2,46,91,210
Long Term Loans and Advances	14		11,47,04,865		8,81,02,784
Other Non Current Assets	15		23,80,952		11,90,476
Current Assets					
Inventories	16	1,06,52,31,651		98,98,94,672	
Trade Receivables	17	64,37,77,613		71,35,64,214	
Cash and Bank Balances	18	8,89,91,833		7,57,03,909	
Short Term Loans and Advances	19	25,52,38,934		23,50,07,032	
Other Current Assets	20	96,32,085	2,06,28,72,116	58,28,821	2,01,99,98,648
TOTAL			3,30,07,16,018	3,21,40,21,324	

SIGNIFICANT ACCOUNTING POLICIES 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 : New Delhi
Dated : 28.05.2013

Talbro Automotive Components Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	Year Ended March 31, 2013		Year Ended March 31, 2012	
		₹	₹	₹	₹
INCOME					
Revenue from Operations (Gross)	21	3,75,03,87,484		4,06,59,42,023	
Less: Excise Duty		30,32,63,850	3,44,71,23,634	31,14,71,637	3,75,44,70,386
Other Income	22		6,22,93,040		3,93,96,870
Proportionate consolidation eliminations			(1,46,13,624)		(1,21,80,480)
Total Revenue			3,49,48,03,050		3,78,16,86,776
EXPENSES					
Cost of Raw Materials Consumed	23		1,98,82,41,941		2,13,29,64,023
Purchase of Stock -in-Trade	23		2,22,51,205		1,60,94,770
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24		(7,84,64,794)		(6,30,11,956)
Employee Benefits Expense	25		38,94,99,103		40,77,27,639
Finance Costs	26		20,58,29,377		19,90,98,450
Depreciation and Amortisation Expense	27		10,34,19,974		11,22,84,304
Other Expenses	28		73,89,51,871		83,35,80,425
Less: Overheads charged to Fixed Assets			(43,99,011)		-
Total			3,36,53,29,666		3,63,87,37,655
Proportionate consolidation eliminations			(14,6,13,624)		(1,21,80,480)
Total Expenses			3,35,07,16,042		3,62,65,57,175
Profit before Tax			14,40,87,007		15,51,29,601
Tax Expense:					
Current Tax / MAT		3,08,59,646		2,61,42,610	
MAT Credit Entitlement		(1,52,00,000)		(1,67,62,959)	
Deferred Tax		(1,10,74,619)		33,31,791	
Short / (Excess) Provision for Tax for Earlier Years Provided / Written Back		7,19,812	53,04,839	(13,70,539)	1,13,40,903
Profit for the Year			13,87,82,168		14,37,88,698
Earnings per Share (Face Value ₹ 10)					
Basic and Diluted Earnings per Share (₹)	34		11.24		11.65

SIGNIFICANT ACCOUNTING POLICIES 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 : New Delhi
Dated : 28.05.2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13		2011-12	
	₹	₹	₹	₹
A. Cash flows from Operating Activities				
a. Net Profit before tax		14,40,87,007		15,51,29,601
Adjustments for:				
Depreciation/Amortisation	10,34,19,974		11,22,84,304	
Interest Expense	20,57,39,223		19,90,98,450	
Foreign Exchange Fluctuation	(15,54,697)		(21,48,298)	
Interest Income	(1,62,84,879)		(1,24,76,887)	
Dividend Income	(2,44,44,905)		(2,50,58,558)	
Loss / Profit on Sale of Assets	(15,54,617)		28,20,487	
Provision for doubtful debts	23,05,997	26,76,26,096	24,16,718	27,69,36,217
b. Operating profit before Working Capital changes		41,17,13,103		43,20,65,817
Adjustments for:				
Current Assets, Loans and advances (Current & Non-Current)	1,59,48,337		(6,45,86,435)	
Inventories	(7,53,36,979)		(13,30,47,299)	
Current Liabilities (Current & non Current)	(4,00,73,129)	(9,94,61,771)	5,39,05,592	(14,37,28,141)
c. Cash generated from Operations		31,22,51,332		28,83,37,676
Direct Taxes (paid) / refund	(2,67,18,001)	(2,67,18,001)	(2,29,45,568)	(2,29,45,568)
Net Cash from Operating Activities		28,55,33,331		26,53,92,108
B. Cash flows from Investing Activities				
Proceeds from sale of Fixed Assets	10,55,80,938		47,56,799	
Movement in Inter-Corporate Deposits	(50,00,000)		85,50,000	
Interest Received	1,23,06,059		1,56,59,195	
Dividends Received	2,44,44,905		3,40,86,572	
Purchase of Fixed Assets	(16,79,46,769)		(12,11,74,322)	
Investments made	(10,28,22,977)		(96,41,565)	
Net Cash flow from investing activities		(13,34,37,844)		(6,77,63,321)
C. Cash flows from Financing Activities				
Interest Paid	(20,72,09,590)		(19,66,18,441)	
Proceeds from Issuance of Share Capital	7,79,55,000		-	
Share Application received pending allotment	24,86,371		-	
Movement in other Bank balances	36,11,164		(33,28,102)	
Proceeds from Borrowings	13,16,43,168		21,70,03,844	
Repayment of Borrowings	(9,92,04,416)		(14,32,20,122)	
Dividends Paid	(3,86,50,132)		(4,83,73,289)	
Dividend Tax Paid	(62,96,724)		(78,91,164)	
Net Cash flow from Financing Activities		(13,56,65,161)		(18,24,27,274)
D. Net Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		1,64,30,326		1,52,01,513
Cash and Cash Equivalents as at:				
- the beginning of the year		3,81,38,767		2,29,37,254
- the end of the year		5,45,69,093		3,81,38,767

Note : Previous year figures have been regrouped wherever necessary.

(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 : New Delhi
Dated : 28.05.2013

Talbros Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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 the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and the estimate are recognized in the period in which the results are known / materialized.

c) Investments:

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

d) 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 a period of 36 months of usage.

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.

e) Fixed Assets

i) Tangible

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

ii) Intangible

Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard -26 "Intangible Assets".

Major Software Products are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

f) 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 Rubber Division is charged on straight line method on all fixed assets other than vehicles and on written down value method on vehicles as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

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.

Technical know how fee is amortised over the period of agreement but not exceeding ten years.

Expenditure on Major Software Products is written off over a period of 36 months from the month put to use except Forging Division where the Software Products are written off over a period of 60 months from the month put to use.

g) Revenue Recognition:

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

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

iii) Export incentives are accounted on accrual basis.

h) 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.

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.

i) 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 credit 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 credit method.
- v) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

Talbros Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Note No.	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
2. SHARE CAPITAL:				
Authorised Share Capital:		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)				
Issued, Subscribed and Paid-up:				
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)		26,68,56,300		17,14,56,300
Proportional consolidation eliminations		(14,34,00,000)		(4,80,00,000)
TOTAL		12,34,56,300		12,34,56,300

2.1 Terms/rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

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

	%	No. of Shares as at 31.03.2013	%	No. of Shares as at 31.03.2012
QH Talbros Ltd.	13.69	16,90,653	12.92	15,94,681

3(a). RESERVES AND SURPLUS :

Capital Reserves		15,21,000		15,21,000
Securities Premium Account		46,78,30,274		46,78,30,274
Revaluation Reserve				
As per last Balance Sheet	52,15,793		53,01,708	
Less: Transferred to Statement of Profit and Loss	77,323	51,38,470	85,915	52,15,793
General Reserve				
As per last Balance Sheet	4,16,22,266		3,28,69,107	
Add: Transferred from Surplus balance in the Statement of Profit and Loss	88,44,176	5,04,66,442	87,53,159	4,16,22,266
Surplus balance in Statement of Profit and Loss				
As per last Balance Sheet	33,16,39,548		24,17,15,489	
Profit for the year	13,87,82,168		14,37,88,698	
Less:- Allocations and Appropriations				
Interim Dividend (₹ 5/- per share, previous year-₹ 5/- per share)	2,40,00,000		2,40,00,000	
Proposed Dividend (₹ 1/- per share, previous year-₹nil per share)	48,00,000		-	
Tax paid on Interim Dividend	47,09,160		38,93,400	
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	
Less: Transferred to General Reserve	88,44,176	41,08,50,300	87,53,159	33,16,39,548
TOTAL		93,58,06,486		84,78,28,881

3(b). SHARE APPLICATION MONEY PENDING ALLOTMENT

Share Application Money Pending Allotment		24,86,371		-
Proportionate consolidation eliminations		(24,86,371)		-
TOTAL		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
4. LONG TERM BORROWINGS:

(Amount in ₹)

	Non-Current portion		Current Maturities		Total	
	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Secured, unless otherwise stated						
a) Term Loans:						
From Banks						
* State Bank of India	6,74,07,000	13,49,07,000	6,75,00,000	4,77,50,000	13,49,07,000	18,26,57,000
** HDFC Bank Ltd.	58,59,375	-	3,90,625	-	62,50,000	-
# Yes Bank	-	1,42,85,714	2,85,71,429	1,15,47,619	2,85,71,429	2,58,33,333
## Punjab National Bank	6,93,45,771	8,45,45,771	1,52,00,000	71,00,000	8,45,45,771	9,16,45,771
Against security of movable fixed assets on Hire Purchase basis	52,57,536	1,12,98,399	1,06,19,333	1,58,41,560	1,58,76,869	2,71,39,959
	14,78,69,682	24,50,36,884	12,22,81,387	8,22,39,179	27,01,51,069	32,72,76,063
From Others						
** Bajaj Finance Ltd.	2,07,06,227	-	22,93,773	-	2,30,00,000	-
Against security of movable fixed assets on Hire Purchase basis	2,57,851	17,60,987	19,52,632	81,81,874	22,10,483	99,42,861
b) Deposits (Unsecured)						
Fixed Deposits from Public	8,83,47,000	8,03,66,220	4,72,88,220	6,03,87,000	13,56,35,220	14,07,53,220
Total	25,71,80,760	32,71,64,091	17,38,16,012	15,08,08,053	43,09,96,772	47,79,72,144
Amount disclosed under the head "Other Current Liabilities" (Note no. 10)			17,38,16,012	15,08,08,053		

Notes:-

- Term Loans from State Bank of India carrying rate of interest @ 13.30% per annum is secured by first exclusive charge over the fixed assets at the Sitarganj Plant including Land & Building and is further secured by personal guarantee of two directors.
- Term Loan from HDFC Bank Ltd. Carrying rate of interest @ base rate plus 3.2% per annum, and is secured by exclusive charge over the current assets and fixed assets (present and future) of the Company and is further secured by Corporate Guarantee of Magnetti Marelli, Italy.
- Term loan from Bajaj Finance Ltd carrying rate of interest @ 11.90% per annum is secured by first charge over existing Plant & Machinery of the company's Gasket Division situated at Faridabad and is further secured by personal guarantee of two directors.
- # Term loan from Yes Bank carrying rate of interest @ 12.50% per annum is secured by way of subservient charge on current assets and movable fixed assets and personal guarantee of three directors.
- ## Term Loan from Punjab National Bank carrying rate of interest @ 13.75% per annum is secured by way of first charge on the specific fixed assets financed out of this loan and is further secured by second pari-passu charge on entire current assets, present & future and personal guarantee of two directors.

4.1 Terms of Repayment of Long Term Borrowings

Particulars	Maturity profile of Long Term Borrowings					
	2013-14	2014-15	2015-16	2016-17	2017-18	Total
From Banks						
State Bank of India	6,75,00,000	6,74,07,000	-	-	-	13,49,07,000
HDFC Bank Ltd.	3,90,625	11,71,875	15,62,500	15,62,500	15,62,500	62,50,000
Yes Bank	2,85,71,428	-	-	-	-	2,85,71,428
Punjab National Bank	1,52,00,000	2,11,75,000	2,83,00,000	1,98,70,771	-	8,45,45,771
Against Security of Movable Fixed Assets on Hire Purchase Basis	1,06,19,334	42,79,691	9,10,784	67,061	-	1,58,76,869
From Others						
Bajaj Finance Ltd.	22,93,773	43,96,523	49,49,209	55,71,374	57,89,121	2,30,00,000
Others	19,52,632	1,04,808	1,14,753	38,290	-	22,10,483
Deposits (Unsecured)	4,72,88,220	3,29,71,000	5,53,76,000	-	-	13,56,35,220
Total	17,38,16,012	13,15,05,896	9,12,13,246	2,71,09,996	73,51,621	43,09,96,771

Talbro Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

5. DEFERRED TAX LIABILITIES (NET)

The deferred tax assets/liabilities as at 31 March, 2013 comprise of the following:

Particulars	Deferred Tax Assets/(Liabilities) As at 01.04.2012			(Charge) / Credit during the year			Deferred Tax Assets/(Liabilities) As at 31.03.2013		
	Talbro Automotive Components Ltd	Joint Ventures	Total	Talbro Automotive Components Ltd	Joint Ventures	Total	Talbro Automotive Components Ltd	Joint Ventures	Total
Depreciation	(8,04,51,220)	(46,59,305)	(8,51,10,525)	74,71,207	(28,27,171)	46,44,036	(7,29,80,013)	(74,86,476)	(8,04,66,490)
Disallowance u/s 43B	57,01,863	83,687	57,85,550	16,08,130	5,14,207	21,22,337	73,09,993	5,97,894	79,07,887
Business Loss	-	-	-	-	36,69,847	36,69,847	-	36,69,847	36,69,847
Provision for doubtful debts / advances	38,99,228	-	38,99,228	6,38,400	-	6,38,400	45,37,628	-	45,37,628
Total	(7,08,50,129)	(45,75,618)	(7,54,25,747)	97,17,737	13,56,883	1,10,74,619	(6,11,32,392)	(32,18,735)	(6,43,51,128)

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
6. OTHER LONG TERM LIABILITIES				
Security Deposits		22,26,000		-
Enhanced cost of Land payable to HSIIDC		90,76,643		-
Total		1,13,02,643		-
7. LONG-TERM PROVISIONS:				
Provision for Leave Encashment		1,03,75,366		82,97,406
Provision for Gratuity		2,95,45,050		2,41,91,071
Total		3,99,20,416		3,24,88,477
8. SHORT TERM BORROWINGS:				
Secured, unless otherwise stated				
a) Working Capital Loans				
From Banks				
State Bank of India*	27,93,65,506		20,52,29,562	
HDFC Bank Ltd.**	10,08,161		-	
ICICI Bank*	2,54,31,258		1,88,11,861	
State Bank of Patiala*	17,97,96,044		16,97,30,145	
Punjab National Bank*	19,82,05,848		19,69,87,281	
Yes Bank***	49,78,193	68,87,85,010	43,82,035	59,51,40,884
From others				
Bajaj Finance Ltd. (Unsecured)****		4,50,00,000		5,00,00,000
b) Deposits (Unsecured)				
Fixed Deposits from Public		1,32,50,000		2,30,07,000
Inter Corporate Deposit		1,00,00,000		1,00,00,000
Total		75,70,35,010		67,81,47,884

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 HDFC Bank Ltd., carrying rate of interest @base rate plus 3.2% per annum and is secured by exclusive charge over the current assets and fixed assets (present and future) of the Company. It is further secured by Corporate Guarantee of Magnetti Marelli, Italy.

*** 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
9. TRADE PAYABLES:				
Acceptances		28,25,21,305		33,56,21,090
Trade Payables		47,88,00,589		48,95,59,548
Proportionate consolidation eliminations		(79,60,623)		(12,06,216)
Total		75,33,61,271		82,39,74,422
10. OTHER CURRENT LIABILITIES:				
Current Maturities of Long Term Borrowings		17,38,16,012		15,08,08,054
Interest accrued but not due on Borrowings		1,18,54,246		1,28,40,649
Interest accrued and due on Borrowings		29,55,773		34,98,697
Liability towards Investors Education and Protection Fund*				
- Unclaimed Dividend	18,99,883		17,35,259	
- Unclaimed Matured Deposits	19,84,000		14,57,000	
- Interest accrued on Unclaimed Matured Deposits	2,84,269		2,14,657	
- Unclaimed Fractional Shares	3,087	41,71,239	3,087	34,10,003
Employee Related Payables		3,30,18,146		3,33,00,639
Statutory Liabilities		3,30,78,579		3,89,33,159
Advance Received from Customers		2,65,90,763		1,68,23,911
Enhanced cost of Land payable to HSIIDC		60,67,954		-
Others		6,45,01,798		2,80,69,498
Proportionate consolidation eliminations		(2,47,52,297)		-
TOTAL		33,13,02,214		28,76,84,610
* There are no amounts due for payment to Investors Education and Protection Fund.				
11. SHORT-TERM PROVISIONS :				
Leave Encashment		25,49,902		24,42,156
Provision for Gratuity		10,934		-
Taxation (Net of advances)		16,05,115		-
Proposed Dividend		1,96,14,756		1,48,14,756
Corporate Dividend Tax		32,19,084		24,03,324
TOTAL		2,69,99,791		1,96,60,236

12. Fixed Assets

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Cost as at 01.04.2012	Additions during the year	Deductions during the year	Cost as at 31.03.2013	As at 01.04.2012	For the year	Deductions during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
(i) Tangible Assets										
Land										
-Freehold	4,63,32,434	1,86,95,677	-	6,50,28,111	-	-	-	-	6,50,28,111	4,63,32,434
-Leasehold	4,13,98,978	-	-	4,13,98,978	16,62,838	4,59,799	-	21,22,638	3,92,76,341	3,97,36,140
Buildings	35,03,94,690	1,11,85,687	2,72,939	36,13,07,438	9,68,77,035	1,25,96,251	2,72,939	10,92,00,348	25,21,07,090	25,35,17,655
Plant, Machinery & Equipments	1,27,42,58,209	10,02,07,554	43,72,00,944	93,72,64,819	67,33,67,045	6,45,39,530	33,91,05,853	39,88,00,722	53,84,64,098	60,08,91,164
Motor Vehicles	8,69,75,063	1,00,75,696	1,74,76,907	7,95,73,851	4,15,58,170	1,23,64,796	1,25,99,425	4,13,23,540	3,82,50,312	4,54,16,893
Furniture & Fixtures	3,73,52,492	23,11,005	11,43,847	3,85,19,649	2,29,21,037	21,45,351	11,42,202	2,39,24,186	1,45,95,463	1,44,31,455
Office Equipment	2,40,40,158	21,25,561	12,35,532	2,49,30,187	1,25,95,229	13,30,394	5,24,271	1,34,01,352	1,15,28,834	1,14,44,929
Electrical Installation	6,30,12,135	62,18,592	4,20,745	6,88,09,982	1,83,61,622	30,25,727	79,942	2,13,07,407	4,75,02,574	4,46,50,513
Air-Conditioning Plant	78,11,888	2,13,241	-	80,25,129	19,27,815	3,87,059	-	23,14,875	57,10,255	58,84,073
Tube-Well	10,51,423	-	-	10,51,423	4,25,723	27,378	-	4,53,101	5,98,322	6,25,700
Total	1,93,26,27,470	15,10,33,011	45,77,50,914	1,62,59,09,567	86,96,96,514	9,68,76,285	35,37,24,632	61,28,48,168	1,01,30,61,400	1,06,29,30,956
Previous Year	1,84,40,99,766	12,95,13,864	4,09,86,160	1,93,26,27,470	79,74,39,253	10,56,66,135	3,34,08,874	86,96,96,514	1,06,29,30,956	
(ii) Intangible Assets										
Description	Cost as at 01.04.2012	Additions during the year	Deductions during the year	Cost as at 31.03.2013	As at 01.04.2012	For the year	Deductions during the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer Software	1,74,40,960	28,60,067	-	2,03,01,027	1,53,21,069	19,12,748	-	1,72,33,817	30,67,210	21,19,891
Technical Know-How	3,63,51,109	3,17,53,852	-	6,81,04,961	2,75,57,414	47,08,265	-	3,22,65,679	3,58,39,282	87,93,695
Total	5,37,92,069	3,46,13,919	-	8,84,05,988	4,28,78,483	66,21,013	-	4,94,99,496	3,89,06,492	1,09,13,586
Previous Year	4,98,33,669	39,58,400	-	5,37,92,069	3,61,74,399	67,04,084	-	4,28,78,483	1,09,13,586	
iii) Capital Work In Progress										
Capital work in progress									3,87,06,391	50,48,963
iv) Intangible Assets Under Development										
Computer Software									4,55,986	11,44,701

Talbro Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013	As at March 31, 2012
	₹	₹
13. NON-CURRENT INVESTMENTS:		
Unquoted : At Cost		
a) Trade Investments:		
In Joint Ventures		
– Nippon Leakless Talbro Pvt. Ltd 48,00,000 Equity Shares (Previous year 48,00,000 Equity Shares) of ₹ 10/- each fully paid up	4,80,00,000	4,80,00,000
– Magneti Marelli Talbro Chassis Systems Pvt.Ltd. 50,30,000 Equity Shares (Previous year 5,000 Equity Shares) of ₹ 10/- each fully paid up Share Application Money	5,03,00,000	50,000 50,00,000
– Talbro Marugo Rubber Pvt. Ltd. 45,10,000 Equity Shares (Previous year Nil Equity Shares) of ₹ 10/- each fully paid up Share Application money	4,51,00,000	-
	49,72,741	-
In Associates		
QH Talbro Limited		
1,77,962 Equity Shares (Previous year 1,77,962 Equity Shares) of ₹ 10/- each fully paid	32,45,680	32,45,680
– Talbro International Ltd. 1,08,700 Equity Shares (Previous year Nil Equity Shares) of ₹ 10/- each fully paid	75,00,236	-
b) Non Trade Investments :		
– T & T Motors Ltd. 83,333 Equity Shares (Previous Year 83,333 Equity Shares) of ₹ 10/- each fully paid	13,74,990	13,74,990
– Caparo Power Ltd. 11,47,134 Equity Shares (Previous year 11,47,134 Equity Shares) of ₹ 10/- each fully paid up 2,54,920, 2% Cumulative Redeemable Preference Shares (Previous year 2,54,920 Shares) of ₹ 10/- each fully paid up	1,14,71,340	1,14,71,340
	25,49,200	25,49,200
Mutual Funds		
1,00,000 units (previous year 1,00,000 units) of ₹ 10/- SBI Infrastructure Fund-1-Growth Proportionate consolidation eliminations	10,00,000	10,00,000
	(14,58,86,371)	(4,80,00,000)
TOTAL	<u>2,96,27,817</u>	<u>2,46,91,210</u>
NOTES:		
Book Value of Unquoted Investments	2,96,27,817	2,46,91,210
Net Asset value of Mutual Funds	7,27,750	7,81,000
14. Long Term Loans and advances:		
Unsecured Considered good		
– Capital Advances	2,74,17,266	1,24,57,235
– Security Deposits	1,03,93,335	70,64,187
– Balances with Custom Authorities	5,22,106	5,36,857
– Advance Tax (Net of Provision)	-	35,59,879
– MAT Credit Entitlement	7,63,72,157	6,14,84,626
– Inter Corporate Deposit	-	30,00,000
TOTAL	<u>11,47,04,865</u>	<u>8,81,02,784</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
15. OTHER NON-CURRENT ASSETS				
Bank Deposits with more than 12 months maturity (Under Lien with Bank)		23,80,952		11,90,476
TOTAL		23,80,952		11,90,476
16. INVENTORIES:				
(Taken, valued and certified by the Management at lower of cost or net realisable value unless otherwise stated)				
Raw Material (Includes in transit ₹ 6,13,93,013 Previous year ₹ 8,12,91,556)		33,60,01,074		35,64,51,954
Work in Progress		35,48,02,385		26,65,71,064
Finished Goods		18,37,51,793		19,23,24,500
Stock in Trade		6,75,035		18,68,855
Stores & Spares (Includes in transit ₹ 6,67,985 Previous year ₹ 14,46,631)		19,00,01,364		17,26,78,299
TOTAL		1,06,52,31,651		98,98,94,672
16.1 WORK IN PROGRESS INCLUDE				
Gaskets		26,01,16,320		16,93,90,163
Forgings		8,45,90,548		8,59,42,308
Rubber		1,00,95,517		1,12,38,592
TOTAL		35,48,02,385		26,65,71,064
17. TRADE RECEIVABLES				
Unsecured:				
Outstanding for a period exceeding six months				
– Considered Good	3,90,88,478		3,00,10,245	
– Considered Doubtful	63,58,077	4,54,46,555	61,66,074	3,61,76,319
Others: Considered Good		61,26,49,758		68,65,69,509
		65,80,96,313		72,27,45,828
Less : Provision for Doubtful Trade Receivables		63,58,077		61,66,074
Proportionate consolidation eliminations		(79,60,623)		(12,06,216)
Total		64,37,77,613		71,53,73,538

Talbros Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	₹	₹	₹	₹
18. CASH AND BANK BALANCES :				
(a) Cash and Cash Equivalents				
Balances with Banks		4,19,06,909		3,50,22,932
Cash on hand		36,62,184		31,15,835
Cheques in hand		90,00,000		-
		<u>5,45,69,093</u>		<u>3,81,38,767</u>
(b) Other Bank Balances				
Margin Money (pledged with banks)		1,37,94,766		97,15,431
Bank Deposits		1,87,26,250		2,61,12,611
Earmarked balances with Banks for Unclaimed Dividend		19,01,724		17,37,100
		<u>3,44,22,740</u>		<u>3,75,65,142</u>
TOTAL		<u><u>8,89,91,833</u></u>		<u><u>7,57,03,909</u></u>
19. SHORT TERM LOANS AND ADVANCES:				
Unsecured Considered good				
Loans and Advances to Related Parties		5,12,18,782		1,26,32,232
Inter Corporate Deposits		7,00,00,000		6,20,00,000
Advances recoverable in kind or for value to be received				
- Considered Good	6,99,25,905		5,69,96,197	
- Considered Doubtful	75,25,864		57,50,000	
	<u>7,74,51,769</u>		<u>6,27,46,197</u>	
Less : Provision for Doubtful Advances	<u>75,25,864</u>	6,99,25,905	<u>57,50,000</u>	5,69,96,197
Balances with Central Excise & Other Authorities		8,73,10,569		10,19,95,388
Security Deposit		2,47,600		2,14,400
Claim Receivables		12,88,374		11,68,815
Proportionate consolidation eliminations		(2,47,52,297)		-
TOTAL		<u><u>25,52,38,934</u></u>		<u><u>23,50,07,032</u></u>
19.1 ADVANCES TO RELATED PARTIES INCLUDE:				
QH Talbros Ltd.		17,14,189		1,11,21,188
Magneti Marelli Talbros Chasis Systems Private Limited		-		15,11,044
TOTAL		<u><u>17,14,189</u></u>		<u><u>1,26,32,232</u></u>
20 OTHER CURRENT ASSETS :				
Interest accrued on deposits		96,32,085		58,28,821
TOTAL		<u><u>96,32,085</u></u>		<u><u>58,28,821</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	₹	₹	₹	₹
21. REVENUE FROM OPERATIONS :				
Sale of Products		3,59,95,49,710		3,89,03,41,497
Sale of Services		1,71,86,036		3,12,03,444
Other Operating Revenues		13,36,51,738		14,43,97,082
		<u>3,75,03,87,484</u>		<u>4,06,59,42,023</u>
Less: Excise Duty		<u>30,32,63,850</u>		<u>31,14,71,637</u>
TOTAL		<u><u>3,44,71,23,634</u></u>		<u><u>3,75,44,70,386</u></u>
22. OTHER INCOME:				
Interest				
– Inter Corporate Deposits		99,43,439		92,00,505
– Fixed Deposits with Banks		45,85,632		30,22,957
– Others		17,55,807		2,53,425
Dividend from Long Term Investments		2,44,44,905		2,50,58,558
Royalty		52,28,620		-
Lease Rentals		92,05,000		-
Net Gain on Foreign Currency Transactions & Translation		4,02,888		-
Profit on sale of Fixed Assets (Net)		15,54,617		-
Surrender Value of Keyman Insurance Policy received		34,88,783		-
Miscellaneous income		16,83,348		18,61,425
TOTAL		<u><u>6,22,93,040</u></u>		<u><u>3,93,96,870</u></u>
23. COST OF RAW MATERIALS CONSUMED:				
Cost of Raw Materials consumed		1,98,82,41,941		2,13,29,64,023
TOTAL		<u><u>1,98,82,41,941</u></u>		<u><u>2,13,29,64,023</u></u>
(a) Cost of Raw Materials consumed include				
Tinplate/P.C.R.C.A/Steel		53,63,22,742		64,04,61,460
Jointing		52,01,33,888		59,64,73,033
Forging Steels		29,74,83,281		36,94,23,747
Bought Out of auto components & parts		20,74,47,366		20,53,32,395
Others		42,68,54,664		32,12,73,388
		<u>1,98,82,41,941</u>		<u>2,13,29,64,023</u>
(b) Purchases of Stock-in -Trade				
Dyna Bond		1,24,13,704		1,60,94,770
Track Control Arm		98,37,501		-
TOTAL		<u><u>2,22,51,205</u></u>		<u><u>1,60,94,770</u></u>

Talbros Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	₹	₹	₹	₹
24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK-IN-TRADE :				
(a) Manufactured Goods :				
Auto Components & Parts				
Closing Stock				
Finished Goods		18,37,51,793		19,23,24,500
Work-In-Progress		35,48,02,385		26,65,71,064
TOTAL		53,85,54,178		45,88,95,564
Less :				
Opening Stock				
Finished Goods		19,23,24,500		17,50,99,600
Work-In-Progress		26,65,71,064		22,26,52,863
		45,88,95,564		39,77,52,463
Changes in Inventories of Finished Goods and Work in Progress		7,96,58,614		6,11,43,101
(b) Traded Goods:				
Closing Stock		6,75,035		18,68,855
Opening Stock		18,68,855		-
Changes in Inventories Stock in Trade		(11,93,820)		18,68,855
TOTAL		7,84,64,794		6,30,11,956
25. EMPLOYEE BENEFITS EXPENSE :				
Salaries and Wages		33,02,52,507		35,46,91,034
Contribution to Provident and other Funds		3,01,31,473		2,30,59,347
Staff Welfare Expenses		2,91,15,123		2,99,77,258
TOTAL		38,94,99,103		40,77,27,639
26. FINANCE COSTS :				
Interest Expense		19,06,72,559		18,37,80,540
Other Borrowing Cost		1,51,56,818		1,53,17,910
TOTAL		20,58,29,377		19,90,98,450
27. DEPRECIATION AND AMORTISATION EXPENSE :				
Depreciation	9,68,76,285		10,56,66,135	
Less:- Transfer from Revaluation Reserve	77,323	9,67,98,962	85,915	10,55,80,220
Amortisation		66,21,012		67,04,084
TOTAL		10,34,19,974		11,22,84,304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	Year Ended March 31, 2013		Year Ended March 31, 2012	
	₹	₹	₹	₹
28. OTHER EXPENSES :				
Consumption of Stores & Spares parts		17,37,19,760		20,05,61,917
Labour & Processing Charges		6,14,31,758		8,04,29,558
Power & Fuel		16,77,49,983		16,87,21,492
Royalty		60,22,856		
Rent		71,16,294		14,70,520
Repairs to Buildings		50,03,135		62,12,529
Repairs to Plant & Machinery		2,72,38,165		3,75,36,558
Repairs to other Assets		88,86,311		82,15,217
Insurance		75,17,356		75,32,193
Travelling, Tour & Conveyance		5,50,72,209		5,18,25,017
Discount on Sales		3,86,26,769		4,12,32,508
Sales Promotion Expenses		2,76,69,938		2,79,22,276
Packing, Freight & Forwarding		7,65,86,194		9,28,77,981
Rates and Taxes		21,12,833		15,27,412
Remuneration to Auditors		15,57,500		10,98,500
Provision for Doubtful Receivables /Advances		23,05,997		24,16,718
Loss on Sale of Fixed Assets		-		28,20,487
Excise Duty on Increase/Decrease of Finished Goods		(39,00,504)		36,16,165
Net Loss on Foreign Currency Transactions & Translation		-		90,29,888
Miscellaneous Expenses		7,42,35,317		8,85,33,489
TOTAL		73,89,51,871		83,35,80,425

Talbro Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 the audited financial statements of Talbro Automotive Components Ltd. and its interest in Joint Ventures as on 31.03.2013 , using proportionate consolidation method as per AS-27.

Joint Venture

Name of the Company	Nippon Leakless Talbro Pvt. Ltd.	Magneti Marelli Talbro Chassis Systems Pvt. Ltd.	Talbro Marugo Rubber Pvt. Ltd.
Country of Incorporation	India	India	India
Ownership Interest	40%	50%	50%
Period Covered	01.04.2012-31.03.2013	03.02.2012 - 31.03.2013	23.08.2012 - 31.03.2013

- (b) The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.
- (c) Aggregate amount of Company's interest in Joint Ventures as per accounts is as under:-

(Amount in ₹)

	Nippon Leakless Talbro Pvt. Ltd.		Magneti Marelli Talbro Chassis Systems Pvt. Ltd.		Talbro Marugo Rubber Pvt. Ltd.	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
i) Total Assets	15,37,72,236	14,25,54,166	10,04,18,016	NA	87,49,671	NA
ii) Total Liabilities	15,37,72,236	14,25,54,166	10,04,18,016	NA	87,49,671	NA
iii) Total Incomes	32,44,12,012	29,67,82,710	16,04,52,603	NA	44,39,140	NA
iv) Total Expenses	27,47,78,629	25,92,51,117	16,19,69,379	NA	86,15,911	NA

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 ₹

		As at March 31, 2013			As at March 31, 2012
		Talbro Automotive Components Ltd	Joint Ventures	Total	
(a) Central Excise	Classification of paper gasket	14,17,866	-	14,17,866	14,17,866
(b) Service Tax	Cenvat credit	55,47,875	-	55,47,875	73,38,232
(c) Central Sales Tax	Central Sales Tax	15,51,616	-	15,51,616	18,94,185
(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)	60,25,898	-	60,25,898	54,26,357
(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 HSIIDC	Demands for enhancement of land cost by HSIIDC	-	-	-	1,29,47,554
(i) High Court, Mumbai	Fees for building work	2,05,000	-	2,05,000	2,05,000
(j) Central Sales Tax	Non filing of return	35,000	-	35,000	-
(k) Income Tax	Management Fee	-	68,18,508	68,18,508	68,18,508
(l) Central Excise	Cenvat Credit Disallowed	-	8,38,071	8,38,071	8,38,071
Total		1,96,33,653	76,56,579	2,72,90,232	4,17,36,171

ii) Guarantees executed in favour of various authorities/others.

Amount in ₹

Talbro Automotive Components Ltd	Joint Ventures	Total
2,79,01,046		2,79,01,046
(2,82,44,065)	-	(2,82,44,065)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

- iii) Corporate Guarantee executed in favour of ICICI Bank Ltd. amounting to ₹10.47Crore (USD 1.91 Millions) {Previous Year ₹ 9.86 Crores (USD 1.91 Millions)} against term borrowing of QH Talbros Ltd., an Associate Company, the outstanding as on 31.03.2013 is NIL {Previous Year ₹ 4.93 Crores (USD 9,55,000)}.
- iv) Bills discounted with Banks

Amount in ₹

Talbros Automotive Components Ltd	Joint Ventures	Total
2,23,62,956		2,23,62,956
(1,80,77,110)	-	(1,80,77,110)

30.2 Estimated amount of contracts remaining to be executed on capital account not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)

Talbros Automotive Components Ltd	Joint Ventures	Total
1,26,32,794	6,08,12,715	7,34,45,509
(1,97,07,862)	(4,20,518)	(2,01,28,380)

Note: Figures in bracket are previous years figures.

31. 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 Segment.

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.

32. 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 and their transactions are as follows :-

a) Relationship

i) Associates

QH Talbros Ltd.,
Talbros International Ltd.

ii) Holding Company of Joint Venture

Nippon Leakless Corporation , Japan

iii) Key Management Personnel (Whole time Directors)

- of Talbros Automotive Components Ltd.
Mr. Umesh Talwar
Mr. Varun Talwar
Mr. Anuj Talwar (w.e.f. 14.08.2012)
- of Joint Venture Company (Nippon Leakless Talbros Pvt. Ltd.)
Mr. Koji Homma
- of Joint Venture Company (Talbros Marugo Rubber Pvt. Ltd.)
Mr. Yoshiaki Yunoki

iv) Relatives of Key Management Personnel

Mr. Anuj Talwar (upto 13.08.2012), son of Mr. Umesh Talwar
Mrs. Kumkum Talwar, mother of Mr. Varun Talwar

Talbro Automotive Components Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

b) The following transactions were carried out with related parties during the year in the ordinary course of business:

Nature of Transactions	Year ended March 31, 2013	Year ended March 31, 2012
(a) Sale of products	17,48,85,208	59,09,57,828
QH Talbro Limited	17,48,85,208	59,09,57,828
(b) Outstanding Balance included in Trade Receivables	6,35,14,686	17,80,72,418
QH Talbro Limited	6,35,14,686	17,80,72,418
(c) Other Receivables	17,14,189	1,11,21,188
QH Talbro Limited	17,14,189	1,11,21,188
(d) Royalty Income	61,49,380	-
QH Talbro Limited	61,49,380	-
(e) Purchase of goods	-	1,93,09,840
QH Talbro Limited	-	1,93,09,840
(f) Dividend	4,44,905	4,44,905
QH Talbro Limited	4,44,905	4,44,905
(g) Investment in Equity Share Capital during the year	75,00,236	-
Talbro international Limited	75,00,236	-
Transactions with Key Management Personnel		
(h) Remuneration paid	1,25,16,500	1,02,11,390
Mr. Umesh Talwar	45,87,996	45,70,644
Mr. Varun Talwar	39,44,800	39,44,800
Mr. Anuj Talwar	24,97,615	-
Mr. Koji Homma	11,80,986	16,95,946
Mr. Yoshiaki Yunoki	3,05,103	-
Transactions with relatives of Key Management Personnel		
(i) Remuneration paid	14,14,241	46,54,744
Mr. Anuj Talwar	14,14,241	46,54,744
(j) Rent Paid	3,60,000	-
Mrs. Kumkum Talwar	3,60,000	-

33. 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.

34. **Earnings Per Share:**

Basic and Diluted Earnings per Share	2012-13	2011-12
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 Shareholders	13,87,82,168	14,37,88,698
c) Basic and Diluted Earning per share (Face value of ₹ 10 each)	11.24	11.65

35. Previous year figures have been regrouped/rearranged wherever necessary.

(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 : New Delhi
Dated : 28.05.2013

TALBROS AUTOMOTIVE COMPONENTS LIMITED

Registered Office: 14/1, Delhi Mathura Road,
Faridabad - 121003 (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 56th Annual General Meeting of the Company, to be held on Monday the September 16, 2013 and at any adjournment thereof.

Signed.....of.....2013.

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



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

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

Note :

- 1. The Proxy Form must be deposited at the Registered Office of the company not less than 48 hours before the timefixed 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 - 121003 (Haryana)

**56TH ANNUAL GENERAL MEETING
ADMISSION SLIP**

Folio No.....

DPID No.....

No. of Shares.....

Client ID No.....

Name of the Member (in BLOCK LETTERS)..... I declare that I am Registered Shareholder/Proxy/Representative. I hereby record my presence at the 56th Annual General Meeting of the Company at Hotel ATRIUM, Shooting Range Road, Suraj Kund, Faridabad - 121001 (Haryana) at 10.30 A.M. on Monday, September 16, 2013.

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:



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
Website: www.talbros.com