



TALBROS ENGINEERING LIMITED

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QUALITY IS OUR PRIDE

REGD. OFF. & WORKS : PLOT NO. 74-75-76, SEC.-6, FARIDABAD-121006 (HR.) / CIN NO.: L74210HR1986PLC033018 / GST NO.: 06AABCT0247L2ZD

28th September, 2018

To

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

Sub.: Submission of copy of Annual Report for the financial year 2017-18

Dear Sir/Madam

Please find enclosed herewith copy of annual report for the financial year 2017-18 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to kindly take the above information on your records.

Thanking You

Yours Sincerely

For Talbro's Engineering Limited


Ankush J. Jha
Company Secretary



Encl.: a/a



TALBROS ENGINEERING LIMITED

Regd. Office: Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006

CIN: L74210HR1986PLC033018

Phone: 0129-4284300, Fax: 0129-4061541

Email: cs@bnt-talbro's.com, Website: www.talbro'saxles.com

NOTICE OF 32nd ANNUAL GENERAL MEETING

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

Day, Date : Friday, 28th September, 2018
Time : 10:30 a.m.
Venue : Moti Mahal, SCO 16P, Huda Market, Sector 16,
Faridabad, Haryana – 121 002

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018, the statement of audited Profit & Loss for the year ended 31st March, 2018, Board's Report and Auditors' Report thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Mr. Vijay Kumar Sharma (holding DIN: 06394784), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Re-appointment of Mr. Sunil Kumar (holding DIN: 03619831) as an Independent Director of the Company. In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**
"RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sunil Kumar (DIN:03619831), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2019, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."
5. Re-appointment of Ms. Priyanka Khattar (holding DIN: 02991593) as an Independent Director of the Company. In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:**
"RESOLVED THAT pursuant to the provisions of section 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Priyanka

Khattar (DIN: 02991593), Independent Director of the Company, whose period of office is liable to expire on 31st March, 2019, and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2019 to March 31, 2024, and whose office shall not be liable to retire by rotation."

6. To adopt new Table F in Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 as amended from time to time and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To increase the borrowing limits under section 180(1)(c) of Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of all earlier resolutions passed in this regard under the Companies Act (earlier in force), the consent of the Company be and is hereby accorded to the Board of the Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers/FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart

for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of Rs. 80 Crores (Rupees Eighty Crores Only) at any one time.”

8. To provide security in connection with the borrowings of the Company under section 180(1)(a) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of the earlier resolutions passed under Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) or a Committee thereof to pledge, mortgage, hypothecate or to create charge, in addition to the mortgages/charges already created, in such form and manner and on such terms as the Board/ Committee may determine, on all or any part of the moveable and/or immoveable properties/undertakings, current and / or fixed assets wheresoever situate, both present and future of the Company, in favour of the Lender(s) and/or Trustee(s) for securing the borrowings availed/to be availed by the Company by way of loan(s) /deposits /issue of debentures, for due payment of the principal amount together with the interest payable thereon from time to time within the overall borrowing limits of Rs. 80 Crores (Rupees Eighty Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, deeds, matters and other things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution.”

**By order of the Board
For Talbro's Engineering Limited**

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

Place : Faridabad
Date : 10th August, 2018

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

Item No. 4

The members of the Company, at an Annual General Meeting held on 27th September, 2011 has approved the appointment of Mr. Sunil Kumar as an Independent Director of the Company. Further, in Annual General Meeting held on 13th September, 2014, the members have appointed him as an Independent Director for a tenure upto 31st March, 2019.

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

Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Sunil Kumar, it is proposed to re-appoint him for the second term as an independent director on the Board of the Company for a period of five years upto 31st March, 2024.

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

Mr. Sunil Kumar do not hold any shares in the Company. Except Mr. Sunil Kumar, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 4.

Item No. 5

The Board of Directors has appointed Ms. Priyanka Khattar as an Additional Director on 07th August, 2014. Further, in Annual General Meeting held on 13th September, 2014, the members have appointed her as an Independent Director for a tenure upto 31st March, 2019.

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

In line with the aforesaid provisions of the Act and in view of long, rich experience in finance, continued valuable guidance to the management and strong Board performance of Ms. Priyanka Khattar, it is proposed to re-appoint her for the second term as an independent director on the Board of the Company for a period of five years upto 31st March, 2024.

The Board considers that her continued association with the Company would be of immense benefit and it is desirable to continue to avail services of Ms. Priyanka Khattar as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 5 of the Notice as Special Resolution.

Ms. Priyanka Khattar do not hold any shares in the Company. Except Ms. Priyanka Khattar, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution as set out at Item No. 5.

Item No. 6

The existing Articles of Association (AoA) have been adopted in conformity with the Companies Act, 2013 in Annual General Meeting held on 13th September, 2014. Since Table F has been amended by Ministry of Corporate Affairs vide notification no. G.S.R. 362(E) dated 10th April, 2018 wherein clause pertaining to common seal of the Company has been made optional.

With the coming into force of the notification stated above and other amendments, existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special resolution set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at item No. 6 of the Notice for approval by the shareholders.

Item No. 7 and 8

Keeping in view the Company's existing and future financial requirements to support its business operations and expansions, the Company needs additional funds from time to time. For this purpose, the Company is desirous of raising finance from various banks/financial institutions and/or any other lending institutions and / or bodies corporate and/or such other persons/individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto Rs. 80.00 Crores (Rupees Eighty Crores Only). Pursuant to Section 18(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than aggregate amount of the Paid-up capital and free reserves at any one time except with the consent of the members of the Company in general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this resolution.

NOTES:

1. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the person seeking re-appointment as Director under Item No. 3 of the Notice is also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company.**

The instrument appointing the proxy should, however, be deposited at the registered office, duly completed and signed, not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate Members are requested to send the certified copy of Board Resolution in favour of the authorized representative attending the meeting.
4. Members, Proxies and Authorised Representatives are requested to bring their attendance slip along with copy of Annual Report to the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is given above.
7. Relevant documents referred to in the accompanying notice and the statement is open for inspection by the members at the Registered Office of the company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the final dividend for year 2018.
9. Final Dividend of Rs. 1.50 per share has been recommended by the Board of Directors for the year ended on 31st March, 2018 and subject to the approval of shareholders at ensuing Annual General Meeting, is proposed to be paid on and from 28th September, 2018.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar.
11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact to the Company / Registrar for assistance in this regard.
12. Pursuant to the provisions of section 124 of the Companies Act, 2013, any amount remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by Central Government. No such amount is pending overdue for transfer to IEPF by the company.
13. If dividend proposed is declared at Annual General Meeting,

the payment of such dividend will be made to those members of the Company whose name appeared in the Register of Members as on Friday, 21st September, 2018. The dividend will be payable within 30 days of the approval in Annual General Meeting.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Details to the Company / Registrar.
15. Non-Resident Members are requested to inform the company/ Registrar immediately the particulars of their bank account maintained with complete name, branch, account type, account number and address of the bank with pin code.
16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
17. Electronic copy of the Annual report for financial year 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018 is being sent in the permitted mode.
18. The route map showing direction to the venue of 32nd Annual General Meeting is annexed.
19. Electronic copy of the Notice of the 32nd Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent in the permitted mode.
20. Members may also note that the Notice of 32nd Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website www.talbrosexles.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered office in Faridabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request of the same, by post free of cost. For any communication, the shareholders may

also send requests to the Company's investor email id: cs@bnt-talbrosexles.com.

21. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
22. Annual Report for 2018 is being sent separately in permitted mode.
23. **Voting through electronic means**
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business as may be transacted through e-voting services provided by **Central Depository Services (India) Limited (CDSL)**.

Procedures and Instructions for E-Voting are as follows:

- (i) The voting period begins on Tuesday, 25th September, 2018 from 09:00 a.m. onwards and ends on Thursday, 27th September, 2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the "TALBROS ENGINEERING LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
24. The Board of Directors has appointed Mr. Anuj Gupta, proprietor of M/s Anuj Gupta & Associates, Practicing Company Secretary as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
25. The scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the General Meeting unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and make a Scrutinizers Report of the votes cast in favour or against, if any, forthwith to the Company Secretary of the Company.
26. The results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website

- www.talbro'saxles.com within three (3) days of passing of the resolutions at the AGM of the company and communicated to the Stock Exchange.
27. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not be entitled to vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
28. Members are further informed that as a part of Green initiative taken by Ministry of Corporate Affairs, the Company is sending this Annual Report and would send all the future Notices and Communications to the e-mail addresses of the shareholders, whose e-mail are registered with the company or either with the Depository. However, the shareholders of whose e-mail ids are not registered with the company or either with the depository would continue to receive the same in physical form. Any shareholder desirous of receiving physical copy of any document can apply for the same to the company. The shareholders whose e-mail id's are not registered with the company, are requested to register the same so that they would be able to receive the information in quick time and also it would be useful to the environment.
29. Members holding shares in physical form may avail nomination facility by giving the particulars of their nomination in the prescribed form to the Registrar and Share Transfer Agent.
30. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Beetal (Registrar), for consolidation into single folio.
31. Members who have not yet encashed their dividend warrants for the year 2010-11 onwards are advised to forward such warrants to Beetal Financial and Computer Services Pvt. Ltd. (RTA) of the company for revalidation.
32. Members seeking any information on the accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready, in reply to the same at the Annual General Meeting.
33. Members are requested to:
- Bring their copy of Annual Report and attendance slip at the venue of the meeting.
 - Quote their Folio/DP & client ID NO. in all correspondences with the Company/R & T Agent.
 - Note that shareholders present in person or through registered proxy shall only be entertained.
 - The attendance slips/proxy form should be signed as per the specimens signatures registered with the R & T Agent/ Depository Participant (DP). Please carry photo ID card for identification/verification purposes.
34. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and the circular issued by MCA, no gifts/coupons shall be distributed at the Meeting.

**By order of the Board
For Talbro's Engineering Limited**

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

Place : Faridabad
Date : 10th August, 2018

ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Details of Director seeking re-appointment at the 32nd Annual General Meeting

Name of the Director	Mr. Vijay Kumar Sharma
Director Identification Number (DIN)	06394784
Date of Birth	04 th January, 1968
Qualification	Diploma in Mechanical Engineering
Expertise in specific areas	Wide Experience in Operations of the Company
Date of Appointment at present designation	01 st October, 2015
Shareholding in the Company	NIL
List of Directorships held in other companies	NIL
Memberships/Chairmanships of the Committees of the Company	Refer to Corporate Governance Report

TALBROS ENGINEERING LIMITED

CIN: L74210HR1986PLC033018

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

Ph.: 0129-4284300, Fax: 0129-4061541

Email: cs@bnt-talbro.com, Website: www.talbroxaxles.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

32nd Annual General Meeting – September 28, 2018			
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name :Email :
Address :
Signature :or failing him/her
2. Name :Email :
Address :
Signature :or failing him/her
3. Name :Email :
Address :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf, at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Friday, the 28th September, 2018 at Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial year ended on March 31, 2018		
2.	Declaration of Dividend on Equity Shares		
3.	Appoint a director in place of Mr. Vijay Kumar Sharma, who retires by rotation and being eligible offers himself for re-appointment		
Special Business			
4.	Re-appointment of Mr. Sunil Kumar as an Independent Director of the Company		
5.	Re-appointment of Ms. Priyanka Khattar as an Independent Director of the Company		
6.	Adoption of new set of Articles of Association		
7.	Increase in borrowing limits under section 180(1)(c) of Companies Act, 2013		
8.	To provide security / create charge pursuant to provisions of Section 180(1)(a) of Companies Act, 2013		

Signed thisday of.....2018.

Affix a
Revenue
Stamp

Signed of the member :

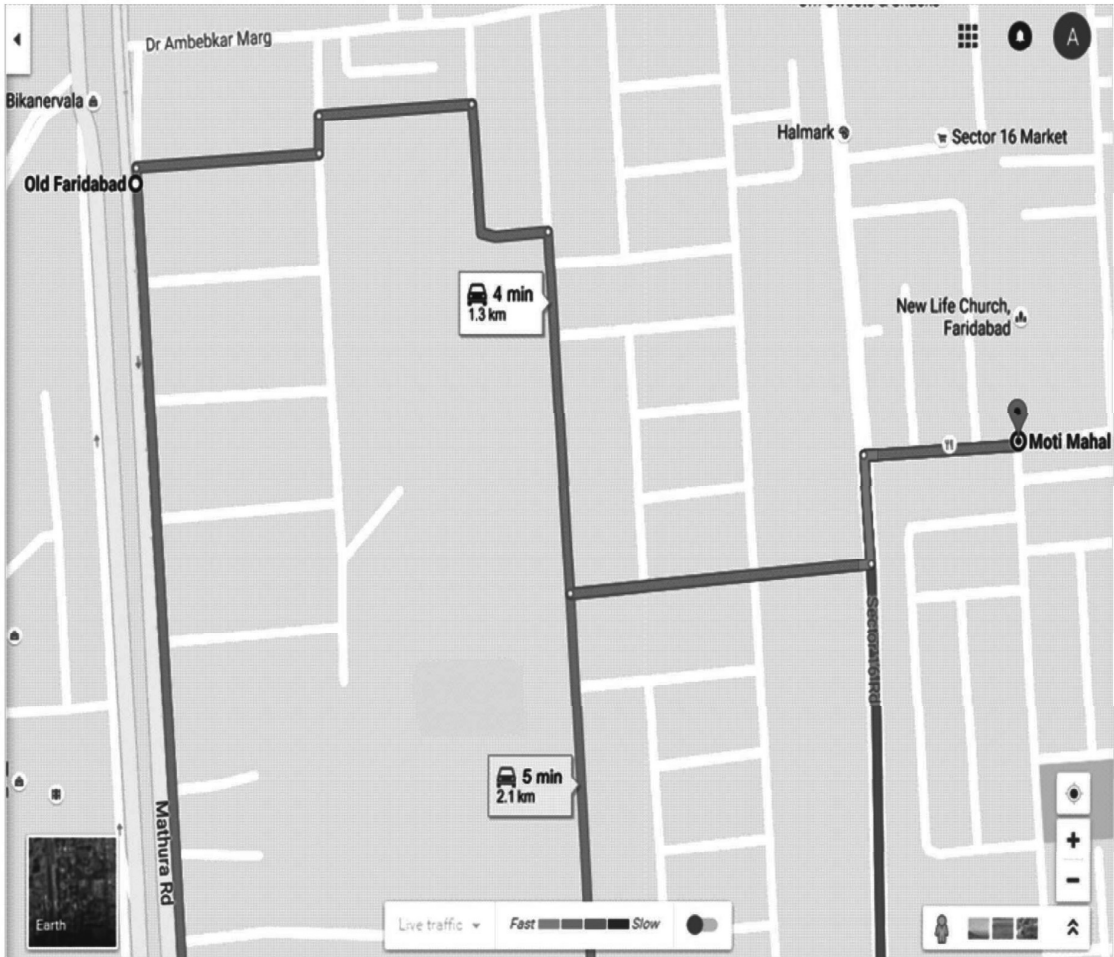
.....Signature of the Proxy Holder(s) :

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 32nd Annual General Meeting.
3. * It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.

ROUTE MAP TO THE AGM VENUE

Venue: Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana - 121 002



Distance from Old Faridabad: 1.3 Kms.

Distance from Faridabad Railway Station: 5.4 Kms. (Including distance of U turn from Neelam Flyover)

Distance from Neelam Chowk Metro Station: 2.4 Kms

DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 32nd Annual Report on the business and operations of the Company alongwith the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31st March 2018.

FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue from Operations		
- Sale of Products	20,550	17,306
- Other Operating revenues	283	382
Total Revenue from Operations	20,833	17,687
Other Income	63	21
Total Income	20,896	17,708
Profit before Interest, Depreciation & Tax	2,137	1,659
Less : Interest	340	286
Depreciation	491	367
Profit Before Tax	1,306	1,006
Less : Previous Year adjustments	4	(9)
Provision for Wealth Tax	NIL	NIL
Provision for current year income-tax	350	320
Provision for Deferred Tax	56	(4)
Net Profit after tax	896	699
Net profit after tax and adjustments	896	699
Other Comprehensive Income		
- Items that will not be classified to profit or loss	12	(2)
- Items that will classified to profit or loss	NIL	NIL
Total Income	908	697
EPS (Basic)	17.88	13.73
EPS (Diluted)	17.88	13.73

REVIEW OF OPERATIONS:

The Company has achieved net revenue from operations of ₹ 20,833 Lacs in this financial year ended on 31st March, 2018 at a growth of around 17.79 % as against ₹ 17,687 Lacs for the previous financial year. The net profit after tax for this year is Rs. 896 Lacs as compared to Rs. 699 Lacs for the previous financial year resulting an increase of 28.18%. The increase in profits is a result of expansion done and good order book position.

Reserves & Surplus as on 31st March, 2018 stand at Rs. 4,616 Lacs as against the paid-up capital of Rs. 508 Lacs.

DIVIDEND:

Your Directors recommend a dividend of Rs. 1.5/- per share (15%) for the financial year 2017-18. This dividend payout, if approved in the forthcoming Annual General Meeting,

will result in outflow of Rs. 76 Lacs excluding Dividend Distribution Tax.

The register of Members and Share Transfer Books will remain closed on Friday, 21st September, 2018 for the purpose of payment of final dividend for the financial year ended March 31, 2018 and the AGM. The AGM is scheduled to be held on Friday, 28th September, 2018

TRANSFER TO GENERAL RESERVE:

Your Directors do not propose transfer to the general reserves and it is proposed to be retained in the profit and loss account.

SHARE CAPITAL

The Authorised Share Capital of the Company has been increased to Rs. 5,10,00,000/- during the year 2017-18. The Company has issued and allotted 25,38,252 no. of fully paid up bonus equity shares in the ratio of 1:1 to the existing shareholders by capitalization of free reserves. The existing paid up capital of the Company is ₹ 5,07,65,040/-

BONUS ISSUE

The Board has issued and allotted bonus equity shares by capitalization of free reserves in the ratio of 1:1 i.e. one fully paid up equity share for every one equity share held on 16th October, 2017.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to IEPF established by the Government of India, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 1,21,352/- pertaining to unclaimed and unpaid dividend for the financial year 2009-10. Further, 2,186 corresponding shares were transferred as per the requirements of IEPF Rules. The details are provided on our website www.talbrosexles.com.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Harshit Bansal & Associates, Chartered Accountants as Internal

Auditors of the Company for financial year 2017-18. To maintain the objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board and to the President/COO.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the company, accounting procedures and policies. Based on the internal audit report, the Company undertake corrective action in their respective areas and thereby strengthen the control.

MARKETING AND EXPORT:

The export sales have registered a growth to Rs. 4,212 Lacs in financial year 2017-18 as against Rs. 3,841 Lacs in previous year. Thus, showing an increase of 9.66% with good contribution in the profitability.

RATING:

Your Company has been assigned a rating of A- (Stable) for Long Term Bank Facilities (Term Loans) of Rs. 20.20 Crores and rating of A2+ for Short Term Bank Facilities (Fund Based Limits) availed from DBS Bank Limited, Yes Bank Limited and HDFC Bank Limited. The rating is assigned by CARE Ratings Limited.

SUBSIDIARIES:

The Company is not having any subsidiary company.

DIRECTORS:

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

During the year, Mr. Sanjay Sharma has resigned from the post of Executive Director w.e.f. 14th November, 2017. Mr. Vijay Kumar Sharma, Executive Director is liable to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend for his re-appointment.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis. The Ind AS are prescribed under section 133 of Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian

Accounting Standards) Amendment Rules, 2016 effective from April, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance.

The directors confirm that:

- (i) In preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of section 149(6) of the Companies Act, 2013 and under regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 6 (Six) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, Independent Directors at their meeting without the participation of the Non-Independent Directors and Management, considered /

evaluated the Boards' performance.

The Board subsequently evaluated its own performance, the working of its committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

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

REGISTERED OFFICE

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

POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION:

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

CODE OF CONDUCT:

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

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

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

AUDIT COMMITTEE:

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

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee consists of 3 (three) Non Executive Directors. During the year 1 (One) meeting has been held. The key areas of Committee have been detailed in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has not given any loan or guarantees covered under the provisions of section 186 of Companies Act, 2013. The detail of investments made by the Company is given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

STATUTORY AUDITORS:

Pursuant to Section 139 of Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. In line with the Companies Act, 2013, M/s DSRV and Co. LLP, Chartered Accountants (Firm registration number 006993N) was appointed as Statutory Auditors of the Company to hold the office from the conclusion of 31st Annual General Meeting held on 28th September, 2017, till the conclusion of 36th Annual General Meeting to be held in year 2022, subject to the ratification by shareholders at every Annual General Meeting or as may be necessitated by the Act from time to time.

The first year of Audit was of the financial statements for the year ending March 31, 2018, which included the audit of the quarterly financial statements for the year., Accordingly, the appointment of DSRV and Co. LLP is being recommended to the shareholders for ratification.

SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:

The Company has appointed M/s Sonal Agarwal & Associates, Company Secretaries to hold the office of Secretarial Auditors and to conduct the Secretarial Audit pursuant to section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended on 31st March, 2018 is being attached with the Director's Report as Annexure – B which is self explanatory and needs no comments.

COST AUDITOR'S AND THEIR REPORT:

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

INSURANCE AND RISK MANAGEMENT:

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

PREVENTION OF INSIDER TRADING:

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

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

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

DEPOSITS:

The Company has not accepted any deposits from public during the year.

CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditor's Certificate dated 10th August, 2018 in accordance with SEBI (Listing Regulations), 2015 and report on Corporate Governance is annexed to and forming part of the Director's Report.

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

CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to discharging its social responsibility as a good corporate citizen. As part of its social responsibility, the Company has contributed to various NGOs for promoting good education, for promotion of games by leveling of play ground at Inter College Jatpura, contribution for softwares and hardwares required for providing good knowledge and education to the childrens.

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

The Company has also contributed to NGO namely servants of the People Society engaged in social, educational and cultural activities and HMP Gramya Vikas and Kalyan Foundation who are indulged in providing regular health check up camps in slum and rural areas. Further, the company has paid school fees and amount for books for two under privileged students.

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

The present Composition of the CSR committee is:

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

The average net profit of the company for last three (3) financial years is Rs. 7.31 Crores (approx). The threshold limit (2%) and total proposed spending on CSR for the financial year 2017-18 is Rs. 15.43 Lacs (approx) (inclusive of unspent amount for year 2016-17).

The total amount spent by the Company in year 2017-18 is Rs. 12.06 Lakhs (Approx.) leaving an unutilized amount of around 3.37 Lakhs. The said unutilized amount will be contributed to certain NGOs which will undertake their proposed projects in early next fiscal.

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

S. No.	CSR Project/activity identified	Sector in which the project is covered	Projects/ Programs Local area/others	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the project/ Program (₹ In Lakhs)	Cumulative expenditure upto the date of reporting period (₹ in Lakhs)	Amount Spent: Director or through implementing agency (₹ in Lakhs)
1	Promoting Education	Education	New Delhi	3.00	3.00	3.00	3.00
2	Promoting Education	Education	New Delhi	2.00	2.00	2.00	2.00
3	Promoting Education and Health Care	Education & Healthcare	New Delhi	3.00	3.00	3.00	3.00
4	Promoting Health Care	Health Care	New Delhi	4.00	3.00	3.00	3.00
5	Promoting Education	Education	Faridabad	0.43	0.06	0.06	0.06
6	Promoting gender equality & women empowerment	Empowering Women	New Delhi	3.00	1.00	1.00	1.00
				15.43	12.06	12.06	12.06

* Details of Implementing Agency: RBTH Singh Memorial Charitable Hospital Society, Savera Association, Lily Foundation, HMP Gramya Vikas and Kalyan Foundation and Servants of the People Society.

MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

The particulars prescribed under section 134(3)(m) of Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014, are enclosed as **Annexure – A** to the Board's Report.

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

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

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

Amount (In ₹ lakhs)

Name of the Director	Designation	Remuneration paid	Ratio to median remuneration
Mr. Sanjay Sharma	Executive Director (Upto 14.11.2017)	6.40	4.18
Mr. Vijay Kumar Sharma	Executive Director	10.54	6.88
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	Only Sitting fees paid
Mr. Sunil Kumar	Independent Director	0.05	Only sitting fees paid
Ms. Priyanka Khattar	Independent Director	0.05	Only sitting fees paid

(b) Percentage increase in remuneration of Directors and KMPs

Amount (In ₹ lakhs)

Name of the Director/KMP	Designation	Remuneration for the year ended 2017-18	Remuneration for the year ended 2016-17	% change during the year
Mr. Sanjay Sharma	Executive Director (Upto 14.11.2017)	6.40	9.86	NA
Mr. Vijay Kumar Sharma	Executive Director	10.54	9.78	7.77
Mr. Sunil Kumar	Independent Director	0.05	0.05	0.00
Ms. Priyanka Khattar	Independent Director	0.05	0.05	0.00
Mr. Kuldeep Singh Bhalla	Independent Director	0.05	0.05	0.00
Mr. Ankush Jindal	Company Secretary	6.56	5.94	10.44
Mr. Kanwar Pal Pawar	CFO	3.81	3.63	4.96

* Mr. Sanjay Sharma has resigned from the post of Executive Director w.e.f. 14th November, 2017.

(c) The median remuneration of the employees has increased by 5.72 % in 2017-18 as compared to 2016-17.

(d) Number of permanent employees on the rolls of the Company.

Financial Year	No. of Employees
2016-17	230
2017-18	234

(e) We affirm that the remuneration paid to Directors, Key Managerial Personnel's and employees is as per the remuneration policy of the Company.

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

CORPORATE GOVERNANCE CERTIFICATE:

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

EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2017-18 being attached with the Directors Report as **Annexure-C**

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

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

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

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Sd/-
Place: Faridabad
Date : 10th August, 2018

Kuldeep Singh Bhalla
Independent Director
DIN: 07504884

Sd/-
Vijay Kumar Sharma
Executive Director
DIN: 06394784

Form No. AOC-2

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

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

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

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

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

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

ANNEXURE-A

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

(A) Conservation of Energy:

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

- Replacing lights with Installation of LED lights in all plants of the Company.
- Stabilizers have been installed on mains to reduce the cost of electricity.
- Use of PNG instead of diesel for furnaces which results in 20% cost efficiency.
- The Company is planning for installing solar panels which will result in conservation of energy.
- Monitoring and correction of power factor
- Reduction in use of pump motors
- Set up of new upgraded machineries have been adopted with inverter drives which consequently will lead to less electricity consumption.
- Installation of solid state machines for Induction hardening which will result in less consumption of power.

(B) Technology absorption:

- The company has installed 4 CNCs, 4 VMCs, CNC grinder, Induction Hardening in various plants which results in production growth.
- Air Gages have been installed for self inspection at stations.
- Gravity shoots have been installed and consequently manpower has been reduced.
- The company has not incurred any expenditure on Research & Development activities during the year under review.

(C) Foreign Exchange Earning and Outgo:

S. No.	Particulars	Amount (In ₹)
	Expenditure	
1	Commission on Export Sales	11.26
2	Foreign Travelling	14.46
3	Repair & Maintenance (Plant & Machinery)	1.01
4	CIF Value of Imports (Machinery)	4.29
	Total	31.02
	Earnings	
1	Value of Exports on FOB Basis	4,146
	Total	4,146

Annexure – B
SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) OTHER APPLICABLE ACTS,
 - (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948, and rules made thereunder,
 - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - (f) The Payment of Bonus Act, 1956, and rules made thereunder,
 - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
 - (h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

However, the Company has been imposed a fine of Rs. 60,000/- (Rupees Sixty Thousand Only) by SEBI under Regulation 95 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for delay in completion of bonus issue within stipulated time frame.

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

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

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

I further report that

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

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

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

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

Sd/-

Sonal Jindal

Practising Company Secretary

M. NO. ACS 33123

COP No. 12199

Place : Faridabad

Date: 10th August, 2018

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

ANNEXURE 1

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

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

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

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

Sd/-

Sonal Jindal

Practising Company Secretary

M. NO. ACS 33123

COP No. 12199

Place : Faridabad

Date: 10th August, 2018

Annexure - C
FORM NO. MGT-9
EXTRACTS OF ANNUAL RETURN
As on the financial year ended on
31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) INDIAN									
a) Individual/HUF	18,42,936	Nil	18,42,936	72.61	36,85,872	Nil	36,85,872	72.61	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	18,42,936	Nil	18,42,936	72.61	36,85,872	Nil	36,85,872	72.61	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) FOREIGN									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	18,42,936	Nil	18,42,936	72.61	36,85,872	Nil	36,85,872	72.61	Nil
B. PUBLIC SHAREHOLDING									
1) INSTITUTIONS									
a) Mutual Funds	293	Nil	293	0.01	586	Nil	586	0.01	Nil
b) Banks/FI	Nil	360	360	0.01	Nil	720	720	0.01	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	43,060	Nil	43,060	1.70	65,800	Nil	65,800	1.30	(0.40)
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	43,353	360	43,713	1.72	66,386	720	67,106	1.32	(0.40)
2)NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	16,313	1,975	18,288	0.72	44,549	3,846	48,395	0.95	0.23
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2,69,070	1,28,797	3,97,867	15.67	5,02,866	2,14,899	7,17,765	14.14	(1.53)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	Nil	Nil	Nil	Nil	63,600	Nil	63,600	1.25	1.25

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others:									
(i) Trusts	20	Nil	20	0.00	40	Nil	40	0.00	Nil
(ii) NRI	2,28,707	310	2,29,017	9.02	4,72,108	620	4,72,728	9.31	0.29
(iii) HUF	5,640	Nil	5,640	0.22	17,636	Nil	17,636	0.35	0.13
(iv) Clearing Member	771	Nil	771	0.03	1,176	Nil	1,176	0.02	(0.01)
(v) IEPF Authority	Nil	Nil	Nil	Nil	2,186	Nil	2,186	0.04	0.04
Sub-total (B)(2):-	5,20,521	1,31,802	6,51,603	25.67	11,04,161	2,19,365	13,23,526	26.07	0.40
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,63,874	1,31,442	6,95,316	27.39	11,70,547	2,20,085	13,90,632	27.39	Nil
C.Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	24,06,810	1,31,442	25,38,252	100.00	48,56,419	2,20,085	50,76,504	100.00	Nil

(v) Shareholding of Promoters and Promoter Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Kartik Talwar	20,487	0.81	Nil	40,974	0.81	Nil	Nil
2	Mr. Karan Talwar	52,524	2.07	Nil	1,05,048	2.07	Nil	Nil
3	Tarun Talwar (HUF)	78,945	3.11	Nil	Nil	Nil	Nil	(3.11)
4	Rakesh Talwar (HUF)	Nil	Nil	Nil	2,72,414	5.37	Nil	5.37
5	Mrs. Naini Talwar	1,47,330	5.80	Nil	2,94,660	5.80	Nil	Nil
6	Mr. Rakesh Talwar	4,32,524	17.04	Nil	5,92,634	11.67	Nil	(5.37)
7	Mrs. Gita Talwar	5,05,877	19.93	Nil	10,11,754	19.93	Nil	Nil
8	Mr. Rajesh Talwar	5,05,249	19.90	Nil	10,10,498	19.90	Nil	Nil
9	Mrs. Shweta Talwar	1,00,000	3.94	Nil	3,57,890	7.05	Nil	3.11
	Total	18,42,936	72.61	Nil	36,85,872	72.61	Nil	Nil

(vi) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Rakesh Talwar (HUF)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	- Transferred from Mr. Rakesh Talwar	1,36,207	5.37	1,36,207	5.37
	- Bonus Shares Allotted on 16/10/2017	1,36,207	5.37	2,72,414	5.37
	At the end of the year	2,72,414	5.37	2,72,414	5.37
2	Mr. Rakesh Talwar				
	At the beginning of the year	4,32,524	17.04	4,32,524	17.04
	- Transferred to Rakesh Talwar (HUF)	1,36,207	5.37	2,96,317	11.67
	- Bonus Shares Allotted on 16/10/2017	2,96,317	11.67	5,92,634	11.67
	At the end of the year	5,92,634	11.67	5,92,634	11.67
3	Mr. Rajesh Talwar				
	At the beginning of the year	5,05,249	19.90	5,05,249	19.90
	- Bonus Shares allotted on 16/10/2017	5,05,249	19.90	10,10,498	19.90
	At the end of the year	10,10,498	19.90	10,10,498	19.90
4	Mrs. Gita Talwar				
	At the beginning of the year	5,05,877	19.93	5,05,877	19.93
	- Bonus Shares Allotted on 16/10/2017	5,05,877	19.93	10,11,754	19.93
	At the end of the year	10,11,754	19.93	10,11,754	19.93
5	Mrs. Shweta Talwar				
	At the beginning of the year	1,00,000	3.94	1,00,000	3.94
	- Transferred from Tarun Talwar (HUF) on 28/04/2017	78,945	3.11	1,78,945	7.05
	- Bonus Shares Allotted on 16/10/2017	1,78,945	7.05	3,57,890	7.05
	At the end of the year	3,57,890	7.05	3,57,890	7.05
6	Tarun Talwar (HUF)				
	At the beginning of the year	78,945	3.11	78,945	3.11
	- Transferred to Mrs. Shweta Talwar on 28/04/2017	78,945	3.11	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Mr. Karan Talwar				
	At the beginning of the year	52,524	2.07	52,524	2.07
	- Bonus Shares allotted on 16/10/2017	52,524	2.07	1,05,048	2.07
	At the end of the year	1,05,048	2.07	1,05,048	2.07
8	Mr. Kartik Talwar				
	At the beginning of the year	20,487	0.81	20,487	0.81
	- Bonus Shares allotted on 16/10/2017	20,487	0.81	40,974	0.81
	At the end of the year	40,974	0.81	40,974	0.81
9	Mrs. Naini Talwar				
	At the beginning of the year	1,47,330	5.80	1,47,330	5.80
	- Bonus Shares allotted on 16/10/2017	1,47,330	5.80	2,94,660	5.80
	At the end of the year	2,94,660	5.80	2,94,660	5.80

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Sartaj Kumar Sahni	2,25,502	8.88	4,51,004	8.88
2	Mahendra Girdharilal	16,050	0.63	32,100	0.63
3	Tushar Kanti Chopra	14,400	0.57	31,500	0.62
4	General Insurance Corporation of India	17,950	0.71	21,786	0.43
5	United India Insurance Company Limited	9,301	0.37	15,626	0.31
6	The Oriental Insurance Company Limited	7,168	0.28	14,336	0.28
7	Sushil Soni	6,300	0.24	11,782	0.23
8	Sushil Soni	5,891	0.23	11,133	0.22
9	Kavita Naredi	5,465	0.22	11,030	0.22
10	National Insurance Company Limited	5,362	0.21	10,724	0.21

(viii) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Vijay Kumar Sharma – Executive Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
2	Mr. Sunil Kumar Sharma – Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
3	Ms. Priyanka Khattar – Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
4	Mr. Kuldeep Singh Bhalla – Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	- Acquired during the year	50	0.001	50	0.001
	- Bonus Shares allotted on 16/10/2017	50	0.001	100	0.001
	At the end of the year	100	0.001	100	0.001

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	Mr. Kanwar Pal Pawar – CFO				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Mr. Ankush Jindal – Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS (₹ In Lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,641	533	Nil	3,174
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	7	Nil	Nil	7
Total (i+ii+iii)	2,648	533	Nil	3,181
Change in Indebtedness during the financial year				
· Addition	1,364	767	Nil	2,131
· Reduction	Nil	Nil	Nil	Nil
Net Change	1,364	767	Nil	2,131
Indebtedness at the end of the financial year				
i) Principal Amount	4,000	1,300	Nil	5,300
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	12	Nil	Nil	12
Total (i+ii+iii)	4,012	1,300	Nil	5,312

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Sanjay Sharma – ED*	Mr. Vijay Kumar Sharma - ED	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.40	10.54	16.94
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- As % of profit	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil
5.	Others:			
	(i) Medical Reimbursement	0.24	0.26	0.50
	(ii) Leave Travel Allowance	0.24	0.26	0.50
	Total (A)	6.88	11.06	17.94
	Ceiling as per the Act			91.49

* The remuneration paid to Mr. Sanjay Sharma includes his remuneration as Executive Director upto 14th November, 2017.

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sunil Kumar	Ms. Priyanka Khattar	Mr. Kuldeep Singh Bhalla	
1.	Independent Directors				
	• Fees for attending board/ committee meetings	5,000	5,000	5,000	15,000
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	5,000	5,000	5,000	15,000
2.	Other Non-Executive Directors				
	• Fees for attending board/ committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B) = (1+2)	5,000	5,000	5,000	15,000
	Total Managerial Remuneration				15,000
	Overall Ceiling as per the Act				9.15 Lakhs

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.39	3.75	10.14
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of] Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission — As % of profit — Others, specify	Nil Nil	Nil Nil	Nil Nil
5.	Others:(i) Leave Travel Allowance	0.17	0.06	0.23
	Total	6.56	3.81	10.37

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Sd/-
Vijay Kumar Sharma
 Executive Director
 DIN: 06394784

Sd/-
Kuldeep Singh Bhalla
 Independent Director
 DIN: 07504884

Place : Faridabad
 Date : 10th August, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31st March, 2018

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Talbro's Engineering is engaged in manufacturing of Rear Axle Shafts for the leading automobile companies in India and foreign markets. The Company's goal is to be a leader in supply of automotive rear axle shafts in the Indian & Overseas market to benefit from the growth and to profit from the opportunities that exist in this sector. During Financial Year 2017-18, the Company has set up a new plant located in Sector 5, Faridabad which has substantially increased the production capacity by 45,000 axles per month. In Financial year 2018-19, the Company expects to continue this growth with continued focus on exports. Planning for set up of new plant in Faridabad has already been started which will contribute substantially to our performance during Financial Year 2018-19.

(B) OPPORTUNITIES AND THREATS

The Company has a world class manufacturing facility located at Faridabad and Hathin in Haryana and is equipped with latest technology and highly qualified engineering team. The Company is continuously striving on better and automated technology adoption for effective and efficient working. The 1st robot has been delivered during the year. The Company is planning to diversify its product portfolio and entering into new international markets. For the purpose, the Company started expanding its hands in manufacturing of torsion bars, spindles and front axles. In international business, our largest market is North America and we also serve some small customers scattered across various Central and south American countries.

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

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

(D) OUTLOOK

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

(E) RISKS AND CONCERNS

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

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate internal control procedures commensurate with the size and structure of the Company. The company has also engaged the services of independent Chartered Accountant to carry out the internal audit and to identify the proper and adequate internal control system and sufficient measures are taken to update the internal control system. SAP has been implemented from 01st July, 2017 which results in better management and system development. The system also ensures that all transactions are appropriately authorised, recorded and reported.

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

Your Company has achieved a sales turnover of Rs. 20,833 Lacs in this financial year ended on 31st March, 2018 as against Rs. 17,687 Lacs in the previous financial year. Net profit after tax for this year stands at Rs. 896 Lacs as against Rs. 699 Lacs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31st March, 2018 is Rs. 4,146 Lacs as compared to Rs. 3,803 Lacs in the previous financial year.

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

As on March 31, 2018, the Company had 234 number of permanent employees at its manufacturing plants and administrative office located at Faridabad and Hathin.

The company considers the employee values and ensures proper encouragement both morally and financially to motivate them. The relationship between the management and employees is remarkable. Regular trainings and workshops have been conducted to motivate the employees for better understanding of technologies.

For and on behalf of the Board

Sd/-

Kuldeep Singh Bhalla

Independent Director

DIN: 07504884

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

Place: Faridabad

Date : 10th August, 2018

CORPORATE GOVERNANCE

1. PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their directorship as on March 31, 2018

The Board of Directors of the Company is duly consisted comprising of One Executive Director and Three Non Executive Independent Directors as on 31st March, 2018.

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

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

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

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors						Attendance in Last AGM (28.09.2017)
		29.05.2017	17.08.2017	16.10.2017	14.11.2017	12.12.2017	12.02.2018	
1	Mr. Sanjay Sharma	Yes	Yes	Yes	NA	NA	NA	Yes
2	Mr. Vijay Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Sunil Kumar	Yes	Yes	No	Yes	Yes	Yes	Yes
4	Ms. Priyanka Khattar	Yes	Yes	Yes	No	Yes	Yes	Yes
5	Mr. Kuldeep Singh Bhalla	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished

in the Notice convening the Meeting of the shareholders.

Independent Directors

Your Company has appointed Independent Directors who are renowned people having expertise / experience in their respective field / profession. None of the Independent Directors are promoters or related to promoters of the Company. They do not have any

pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under section 149(7) of the Companies Act, 2013. The Company had issued a formal letter of appointment to all the independent Directors.

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

Performance Evaluation of Directors

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

Role & Accountability

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

Objectivity

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

Leadership and Initiative

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

Personal Attributes

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

3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:

(A) AUDIT COMMITTEE:

(a) Terms of Reference:

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

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:
 - a. Matters required to be included in the Director's Responsibility Statement in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (viii) Approval of any subsequent modification of transactions of the company with related parties;
 - (ix) Scrutiny of inter-corporate loans and investments;
 - (x) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (xi) Evaluation of internal financial controls and risk management systems;
 - (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (xiv) Discussion with internal auditors of any significant findings and follow up there on;
 - (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (xviii) To review the functioning of the Whistle Blower mechanism;
 - (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (b) Composition of Audit Committee, Meetings held during the year and Attendance of Members:**
- The Audit Committee consists of three Independent Directors Mr. Sunil Kumar, Mr. Kuldeep Singh Bhalla and Ms. Priyanka Khattar as on 31st March, 2018. The constitution of Committee has been amended due to resignation of Mr. Sanjay Sharma effective from 14th November, 2017. Mr. Kuldeep Singh Bhalla has been designated as Chairman of the Committee. The Committee met 4 (Four) times during the year ended 31st March, 2018. The attendance record of the members at the meeting were as follows:

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members			
			29.05.2017	17.08.2017	12.12.2017	12.02.2018
1	Mr. Kuldeep Singh Bhalla	Chairman	NA	NA	Yes	Yes
2	Mr. Sanjay Sharma	Member	Yes	Yes	NA	NA
3	Ms. Priyanka Khattar	Member	Yes	Yes	Yes	Yes
4	Mr. Sunil Kumar	Member	Yes	Yes	Yes	Yes

(B) NOMINATION AND REMUNERATION COMMITTEE:**(a) Terms of Reference:**

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of independent Directors and the Board;
- (iii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

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

1 (One) meeting of Nomination and Remuneration Committee was held on 04th September, 2017 and all the members were present during the meeting. The present constitution of Committee is as follows:

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

(c) Remuneration Policy:

The Nomination and Remuneration Committee has formulated a policy which deals with the manner of selection of Board of Directors

including Executive Directors, Non Executive Directors, Independent Directors, KMPs and payment of their remuneration. The criteria of selection and remuneration to be paid are as follows:

Non Executive and Independent Director

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

The independent Directors shall be selected and appointed after considering the independence as prescribed in the provisions of section 149(5) of Companies Act, 2013 and rules made thereunder and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The independent director should be a person of integrity and possesses relevant expertise and experience.

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

Managing Director / Whole Time Director

In case for the appointment as a Managing Director / Whole Time Director, the Nomination and Remuneration Committee shall identify the person of integrity who possess rich expertise, experience, knowledge, qualification and leadership qualities required for the position and shall take into consideration, the recommendations, if any, received from the members of the Board. The candidate identified shall be recommended to the Board of Directors and is eligible for appointment only after the approval of members of the Company in general Meeting. The committee shall also ensure that the candidate identified shall fulfil all the conditions and criteria as envisaged in the relevant clauses and schedules of Companies Act, 2013 and rules made there under.

Remuneration to Directors

The independent Directors shall only be entitled to receive the remuneration by way of sitting fees and reimbursement of the actual expenses incurred by them for participation in Board Meetings. The said remuneration to be paid

should be approved by the Board of Directors considering the overall ceiling limits prescribed under the Companies Act, 2013 and rules made there under.

The Managing Director / Whole Time Director shall be entitled to receive the remuneration as mutually agreed between the members of the Board of Directors and Managing Director, subject to the approval of members of the Company in General Meeting. The remuneration

to be paid shall be within the overall limits as prescribed under the Companies Act, 2013 and rules made there under.

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

(d) Details of Remuneration paid during the year 31st March, 2018:

S. No.	Name of the Director	Designation	Remuneration Paid (Amount in ₹ Lakhs)
1	Mr. Sanjay Sharma (Upto 14 th November, 2017)*	Executive Director	6.40
2	Mr. Vijay Kumar Sharma	Executive Director	10.54

* Mr. Sanjay Sharma, Executive Director of the Company has resigned from the office of Director w.e.f. 14th November, 2017.

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

Obligations and Disclosure Requirements) Regulations, 2015, the Company has a duly constituted Stakeholders Relationship Committee. The committee is looking after and reviewing the actions for redressal of shareholders and investors grievances. The Committee is also responsible for transfer, transmission and rematerialization of shares as requested by the shareholders of the company from time to time.

During the year ended 31st March, 2018, the Stakeholders Relationship Committee met 32 times.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

As required and mandated under the Companies Act, 2013 and Regulation 20 of SEBI (Listing

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year
1	Mr. Kuldeep Singh Bhalla	Chairman	32
2	Ms. Priyanka Khattar	Member	26
3	Mr. Sanjay Sharma	Member	16
4	Mr. Vijay Kumar Sharma	Member	15

During the year, the constitution of Committee has been changed due to resignation of Mr. Sanjay Sharma effective from 14th November, 2017. Mr. Vijay Kumar Sharma Executive Director has been appointed as new member of the Committee.

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

During the year, the Company has received 18

complaints from shareholder which has been resolved on time to the satisfaction of the complainant.

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

(a) Composition of Corporate Social Responsibility Committee, Meetings held during the year and Attendance of Members:

The Corporate Social Responsibility (CSR)

Committee has been constituted pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The Constitution of Committee has been changed during the year due to resignation of Mr. Sanjay

Sharma w.e.f. 14th November, 2017. The present composition of Committee is One Executive Director and Two Non Executive and Independent Directors. The Committee met 2 times during the financial year ended 31st March, 2018

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			29.05.2017	30.03.2018
1	Mr. Vijay Kumar Sharma	Chairman	Yes	Yes
2	Mr. Sanjay Sharma	Member	Yes	NA
3	Mr. Sunil Kumar	Member	Yes	Yes
4	Mr. Kuldeep Singh Bhalla	Member	NA	Yes

(b) Terms of Reference:

The Committee is responsible for the following purposes:

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

(4) INDEPENDENT DIRECTORS MEETING:

During the year ended 31st March, 2018, the Independent Directors met on 30th March, 2018, inter alia to review and discuss:

- (i) the performance of Non Independent Directors and the Board of Directors as a whole;
- (ii) the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- (iii) to assess the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

There are 3 (Three) independent Directors in the Company and all are present in the meeting held on 30th March, 2018.

(5) GENERAL BODY MEETINGS:

(a) Details of last 3 (Three) Annual General Meetings are as under:

S. No.	Financial Year	Date	Time	Venue
1	2016-17	28.09.2017	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002
2	2015-16	30.09.2016	10:30 a.m.	Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002
3	2014-15	12.08.2015	11:00 a.m.	Hotel Millennium Plus, 67, Neelam Bata Road, Faridabad, Haryana – 121 001

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

- (1) At Annual General Meeting held on 12th August, 2015

- a) Re-appointment of Mr. Tarun Talwar as Managing Director for a period of 5 (Five) years commencing from 01.10.2015

- b) Re-appointment of Mr. Sanjay Sharma as Executive Director for a period of 5 (Five) years commencing from 01.10.2015
 - c) Re-appointment of Mr. Vijay Kumar Sharma as Executive Director for a period of 5 (Five) years commencing from 01.10.2015
- (2) No special resolution has been passed in Annual General Meeting held on 30th September, 2016.
- (3) At Annual General Meeting held on 28th September, 2017
- a) Substitution of new set of Memorandum and Articles of Association in place of existing
 - b) Increase in Authorised Share Capital
 - c) Issuance of Bonus Shares in the ratio of 1:1 i.e. one equity share for every one equity share held by way of capitalisation of reserves.

(c) Postal Ballot:

During the year ended March 31, 2018, no ordinary or special resolution has been passed by the shareholders through Postal Ballot.

(6) MEANS OF COMMUNICATION:

Your Company has promptly reported all material information, including declaration of financial results, press releases, etc., to the Stock Exchanges where the securities of your Company are listed. Such information was, also, simultaneously displayed immediately on your Company's website i.e.

www.talbrosexles.com. The quarterly and half-yearly Financial Results of the Company during the year 2017-18 were published in leading newspapers (English & Hindi), viz., The Pioneer, The Financial Express, Jansatta and Naya India.

The "Limited Review" Reports of the Financial Results for the quarters ended June 30, 2017, September 30, 2017 and December 31, 2017 were obtained from the Statutory Auditors of the Company and filed with the stock exchange(s).

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

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

(7) GENERAL SHAREHOLDER INFORMATION:

(a) Forthcoming AGM: Date, time and venue

The 32nd Annual General Meeting of the Company will be held on Friday, 28th September, 2018 at 10:30 a.m. at Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002

(b) Financial Year

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

Financial Calendar (Tentative)

For 1 st quarter ending 30 th June, 2018	First week of August, 2018
For 2 nd Quarter / half year ending 30 th September, 2018	First week of November, 2018
For 3 rd Quarter / nine months ending 31 st December, 2018	First week of February, 2019
For 4 th Quarter / Year ending 31 st March, 2019	Last week of May, 2019
Annual General Meeting for the year ending 31 st March, 2019	Last week of September, 2019

(c) Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (both days inclusive) for annual closing.

(d) Dividend Payment Date

The Dividend will be paid within 30 days of the approval of same in Annual General Meeting.

(e) Listing on Stock Exchanges

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

Annual listing fees for fiscal 2018-19 has been paid to the above stock exchange.

(f) Stock Code

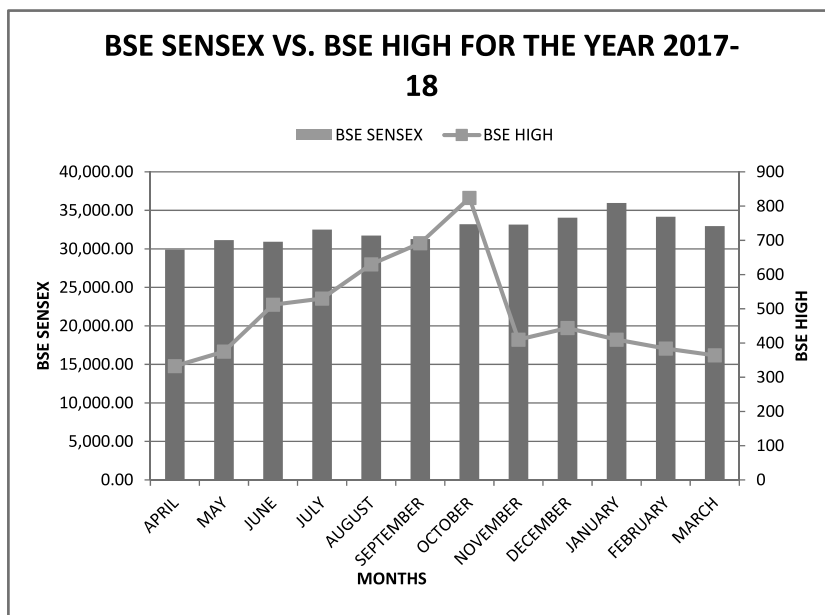
The Stock codes allotted to the Company are as follows:

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

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

The Company's equity shares are listed and are available for trading on BSE Limited. The month wise High/Low of Market Price of Company's equity shares traded on BSE Limited during the year ended on 31st March, 2018 were as follows:

Month(s)2017-18	BSE		Month End BSE Sensex
	High	Low	
April	332.60	280.00	29,918.40
May	375.00	275.15	31,145.80
June	512.00	351.00	30,921.61
July	530.00	435.00	32,514.94
August	629.90	430.10	31,730.49
September	691.80	566.05	31,283.72
October	824.00	271.60	33,213.13
November	410.00	294.00	33,149.35
December	443.90	352.10	34,056.83
January	410.00	340.00	35,965.02
February	384.00	302.00	34,184.04
March	364.00	278.00	32,968.68



(h) Registrar and Transfer Agents

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

(i) Share Transfer System

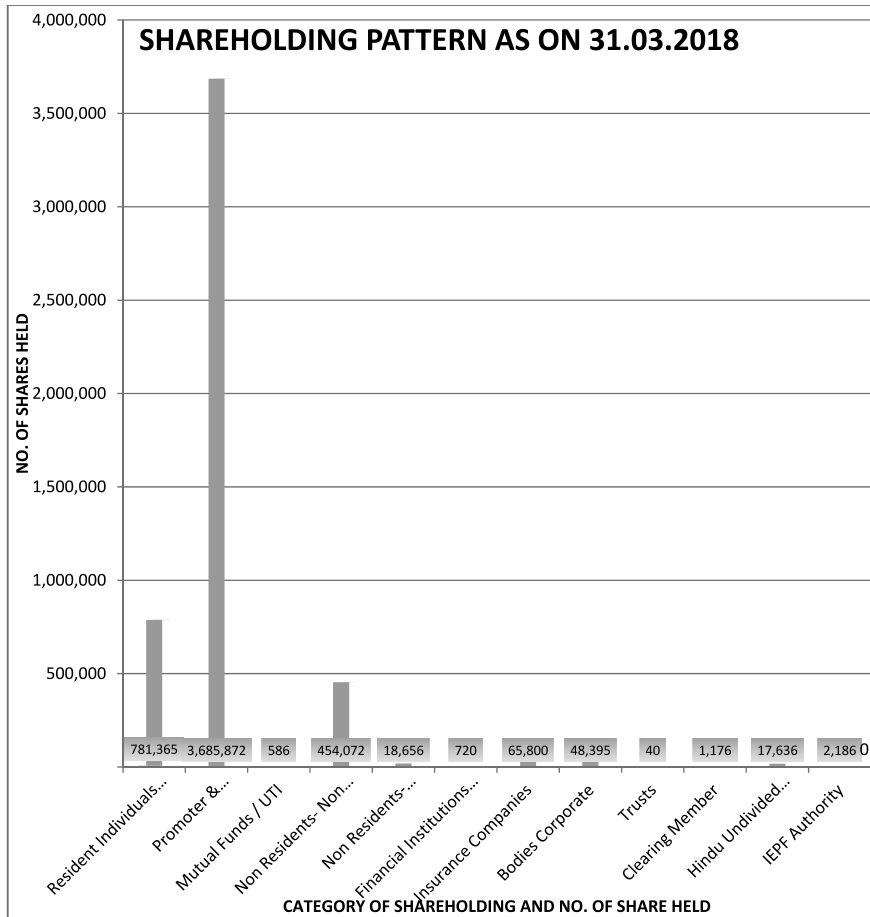
All physical share transfers are effected within 15 days of lodgement, subject to the documents being in order and complete in all respects. The

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

(j) Distribution of Shareholding

(a) *On the basis of Category*

S. No.	Category of Shareholding	Number of shareholders	No. of shares held	% of shareholding
1	Resident Individuals	6,241	7,81,365	15.39
2	Promoters	8	36,85,872	72.61
3	Mutual Funds / UTI	1	586	0.01
4	Non Residents – Non Repatriable	27	4,54,072	8.94
5	Non Residents - Repatriable	30	18,656	0.37
6	Financial Institutions / Banks	3	720	0.01
7	Insurance Companies	5	65,800	1.30
8	Bodies Corporate	95	48,395	0.95
9	Trusts	1	40	0.01
10	Clearing Member	8	1,176	0.02
11	Hindu Undivided Family	85	17,636	0.35
12	IEPF Authority	1	2,186	0.04
	TOTAL	6,505	50,76,504	100.00



(b) On the basis of Shares held

Size of Holdings	No. of Share holders	Percentage(%) to Total	No. of shares held	Percentage(%) to Total
Upto 5000	6,284	96.60	4,86,980	9.59
5001 to 10000	124	1.91	94,204	1.86
10001 to 20000	50	0.77	71,285	1.40
20001 to 30000	12	0.18	30,697	0.60
30001 to 40000	7	0.11	24,742	0.49
40001 to 50000	3	0.04	13,117	0.26
50001 to 100000	7	0.11	58,586	1.15
100001 and Above	18	0.28	42,96,893	84.65
TOTAL	6,505	100.00	50,76,504	100.00

(c) On the basis of ownership

S. No.	Category of Shareholder	Number of Shareholders	Total number of shares	% of holding
(A)	Promoters			
1.	<i>Indian Individuals</i>			
(a)	Promoters	8	36,85,872	72.61
(B)	Public Shareholding			
1.	<i>Institutions</i>			
(a)	Mutual Funds / UTI	1	586	0.01
(b)	Financial Institutions / Banks	3	720	0.01
(c)	Insurance Companies	5	65,800	1.32
2.	<i>Non-institutions</i>			
(a)	Bodies Corporate	95	48,395	0.95
(b)	Individuals	6,241	7,81,365	15.39
(c)	Trusts	1	40	0.01
(d)	Clearing Member	8	1,176	0.02
(e)	Non Resident Indians – Non Repatariable	27	4,54,072	8.94
(f)	Non Resident Indians – Repatariable	30	18,656	0.36
(g)	Hindu Undivided Family	85	17,636	0.34
(h)	IEPF Authority	1	2,186	0.04
	TOTAL	6,505	50,76,504	100.00

(d) Dematerialization of shares and liquidity

As on 31st March, 2018, 95.67% of the total shareholding was held in dematerialized form as per details mentioned below:

Particulars	No. of holders	No. of Shares	% of Total Issued Capital
Physical System	2,834	2,20,085	4.33
NSDL	2,506	37,86,844	74.60
CDSL	1,165	10,69,575	21.07
Total	6,505	50,76,504	100.00

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

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

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

(f) Plant Locations
(a) Registered and Corporate Office:

Plot No. 74-75-76, Sector 6, Faridabad, Haryana – 121 006

Phone: +91-129-4284300

Fax No.: +91-129-4061541

Email ID: cs@bnt-talbro.com

(b) Unit Locations:

(i) Plot No. 35,36,37,38 & 57, Industrial Area, Hathin, Distt. Palwal, Haryana

(ii) Plot No. 77, Sector 68, IMT, Faridabad, Haryana

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

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

(g) Address for Correspondence

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

DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, We hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2018.

For and on behalf of the Board

Sd/-
Kuldeep Singh Bhalla
Independent Director
DIN: 07504884

Sd/-
Vijay Kumar Sharma
Executive Director
DIN: 06394784

Place: Faridabad
Date : 10th August, 2018

COMPLIANCE CERTIFICATE

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

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

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

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

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

Sd/-
Tarun Talwar
Chief Operating Officer

Sd/-
Kanwar Pal Pawar
Chief Financial Officer

Place: Faridabad
Date : 10th August, 2018

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Talbros Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Talbros Engineering Limited ("the Company") for the year ended March 31, 2018 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations give to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For DSRV & Co. LLP
(Formerly known as Dinesh Mohan & Co.)
Chartered Accountants
Firm Regn. No.: 006993N

Sd/-
D.K. Agarwal
Partner
M. No. 85714

Place: Faridabad
Date: 10th August, 2018

INDEPENDENT AUDITORS' REPORT

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

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **TALBROS ENGINEERING LIMITED** (the Company), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant Accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements)

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards referred to in section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, the financial position of the company as on March 31st 2018, and its financial performance including Other Comprehensive Income, its Cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified in section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014;
- e) on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the auditors' report in accordance with rule 11 of The Companies (audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanation given to us:
- i) The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) The company is not required to transfer any amount to the Investor Education and Protection Fund.
- For D S R V AND CO LLP**
(Formerly known as Dinesh Mohan & Co.)
Chartered Accountants
FRN: 006993 N
- D.K. AGARWAL**
(PARTNER)
M.NO : 85714
- Place: Faridabad
Date : 30.05.2018
- ANNEXURE TO THE AUDITORS' REPORT**
ANNEXURE 'A'
(As referred in paragraph 1 of **Report on other legal and regulatory requirements** of our report to the members of **TALBROS ENGINEERING LIMITED** on the accounts for the year ended 31st March 2018)
- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been regularly verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification during the year.
 - c) Based on the audit procedures performed and according to the records of the company, title deeds of the immovable properties are held with the company.
- ii) As explained to us, the inventory has been regularly verified during the year and the frequency of such verification is reasonable. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii) As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly sub-clauses (a), (b) and (c) of para (iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of act, in respect of loans, investments, guarantees, and security to the extent applicable to it.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi) To the best of our knowledge and as explained, the company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act 2013. Accordingly, Para (vi) of the order is not applicable to the Company.
- vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty,

Excise Duty, GST and Cess and any other material statutory dues applicable to it though there has been a slight delay in few cases. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31st March 2018 for a period of more than six months from the date they become payable, *except ESI payable contractor Rs. 9,90,900/-.*

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans to the bank. The company did not have any outstanding dues / loans in respect of financial institution, government or debentures during the year.
- ix) We have verified that the end use of money raised by the public issue is as disclosed in the notes to the Ind AS financial statements. The company did not have any terms loans outstanding during the year.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- xi) In our opinion, the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the act.
- xii) In our opinion the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 3(xii) of the order are not applicable to the company.
- xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of act, where applicable, and the details have been disclosed in the financial statement as required by applicable accounting standard.
- xiv) The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- xv) According to the information and explanation given to us and on an overall examination of the Ind AS financial statements of the company, we report that the company has not entered into any cash transactions with directors or persons connected with him.

xvi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For D S R V AND CO LLP

(Formerly known as Dinesh Mohan & Co.)
Chartered Accountants
FRN: 006993 N

D.K. AGARWAL

(PARTNER)

M.NO : 85714

Place: Faridabad
Date : 30.05.2018

ANNEXURE 'B'

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

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

We have audited the internal financial controls over financial reporting of M/s Talbros Engineering Limited ("the company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management's responsibility for internal financial controls

The companies' management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance Note on the internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance notes on Audit of internal financial controls over financial reporting (the "Guidance Note") and the standards of auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute

of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate financial controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing

And evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company's internal financial controls system over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for the external purposes in accordance with generally accepted accounting principles. A company's internal financial controls system over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with the

generally accepted accounting principles, and that receipts and the expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent limitation of internal financial controls over financial reporting

Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk of the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such of the internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance Note on Audit of the internal financial controls over financial reporting issued by the Institute of Chartered Accountant of India.

For D S R V AND CO LLP

(Formerly known as Dinesh Mohan & Co.)

Chartered Accountants

FRN: 006993 N

D.K. AGARWAL

(PARTNER)

M.NO : 85714

Place: Faridabad

Date : 30.05.2018

TALBROS ENGINEERING LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	Notes	As at	As at	As at
		31st March, 2018	31st March, 2017	31st March, 2016
ASSETS:				
Non-Current Assets				
Property plant and equipments	4.1	5,325	4,112	2,123
Capital Work in Progress	4.2	797	993	505
Intangible Assets	4.3	31	9	7
Financial Assets				
Non Current Investments	5	9	9	9
Trade receivables	6	-	31	19
Loans	7	122	56	245
Other non-current assets	8	-	69	694
Current Assets				
Inventories	9	3,667	2,007	1,553
Financial Assets				
Trade Receivables	10	2,868	1,833	1,648
Cash and Cash Equivalents	11	182	121	67
Other Bank Balances	12	11	18	10
Loans	13	3	5	8
Assets for Current Tax (net)	14	116	2	-
Other Current Assets	15	620	455	534
TOTAL		13,751	9,720	7,421
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	16	508	254	254
Other Equity	17	4,616	4,037	3,338
Non-Current Liabilities				
Financial liabilities				
Borrowings	18	2,460	1,575	521
Provisions	20	31	26	25
Deferred Tax Liabilities (Net)	19	205	149	152
Current Liabilities				
Financial liabilities				
Borrowings	21	2,392	1,182	1,582
Trade Payables	22	2,021	1,065	874
Other financial liabilities	23	1,214	1,357	601
Other Current Liabilities	24	270	43	33
Provisions	25	35	32	29
Liabilities for current tax(net)	14	-	-	12
TOTAL		13,751	9,720	7,421

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

Ankush Jindal

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

Sd/-

Kuldeep Singh Bhalla

Independent Director

DIN: 07504884

H.No. 454A, Sector 15, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh

Place : Faridabad

Date : 30.05.2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME		
Revenue From Operations (Gross)	26	20,833
Other Income	27	63
Total Revenue	20,896	17,708
EXPENSES		
Cost of Raw Material Consumed	28	9,519
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	29	(507)
Excise duty on sale of goods		436
Employee Benefits Expenses	30	1,833
Finance Costs	31	340
Depreciation and Amortization Expense	32	491
Other Expenses	33	7,478
Total Expenses	19,590	16,703
Profit before tax	1,306	1,006
Tax Expenses :		
Current Tax	350	320
Deferred Tax	56	(4)
Taxes For Earlier Years	4	(9)
Profit for the Year	896	699
Other Comprehensive Income		
i) Items that will not be classified to profit or loss		12
ii) Items that will be classified to profit or loss		(2)
Total Other comprehensive income	908	697
Earnings per Equity Share (Face Value of ₹ 10/-)		
Basic and Diluted Restated Earnings Per Share	17.88	13.73
Summary of significant accounting policies	2	
The accompanying notes are an integral part of the financial statements		

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co)
Chartered Accountants
FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place: Faridabad

Date : 30.05.2018

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

Ankush Jindal

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

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Kuldeep Singh Bhalla

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DIN: 07504884

H.No. 454A, Sector 15, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

PARTICULARS	31st March, 2018	31st March, 2017
Net Profit before taxation, and extraordinary item	1,306	1,006
Adjustment for:		
Depreciation	491	367
Preliminary Expenses W/off	-	-
Interest Paid	340	286
Loss/(Profit) on Sale of Fixed Assets	2	4
Interest Received	(9)	(2)
Operating Profit before Working Capital Changes	2,130	1,661
Adjustments for:-		
Trade and Other Receivables	(1,007)	(197)
Inventories	(1,660)	(454)
Other Current Assets	(307)	(52)
Trade Payables	956	191
Other Current Liabilities	972	179
Increase in Deferred Tax Liability	-	-
CASH GENERATED FROM OPERATIONS:	1,084	1,328
Interest paid	(340)	(286)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	744	1,042
Interest Received	9	2
Purchase of Fixed Assets	(1,580)	(2,865)
Transfer to accumulated Depreciation	-	-
Sale of Fixed Assets	49	14
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,523)	(2,849)
Proceeds from /(Repayment) of long Term Borrowings	890	1,055
Proceeds from Share Capital	-	-
Proceeds from Security Premium	-	-
Dividend paid	(51)	-
Dividend Distribution Tax Paid	(11)	-
Proceeds from /(Repayment) of long Term Loans & Advances	3	814
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	832	1,869
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	54	62
Cash/Cash Equivalents as at 1st April (Opening Balance)	139	77
Cash/Cash Equivalents as at 31st March (Closing Balance)	193	139

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

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H.No. 454A, Sector 15, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,
Tigaon Road, Ballabgarh

Place : Faridabad

Date : 30.05.2018

NOTES TO IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 COMPANY OVERVIEW

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

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation and compliance with Ind AS

- (i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 and the Company is required to prepare its financial statements in accordance with Ind AS's for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.
- (ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.
- (iii) The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

3.1 Revenue Recognition

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

3.2 Property, Plant and Equipment

3.2.1 Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

3.2.2 Capital work in progress

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

3.2.3 Depreciation

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

3.2.4 Intangible assets

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

3.2.5 Borrowing Costs

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

3.2.6 Cash and cash equivalents

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

3.2.7 Impairment of Non-financial assets

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

3.2.8 Inventories

Cost of inventory comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. closing inventories have been valued as follows:

- Raw materials, Stores, Spares & Packing Material are valued at lower of cost or net realisable value. Cost is determined on First in First Out (FIFO) basis.
- Finished goods and work in progress are valued at cost. Cost includes variable and fixed overheads allocated to work in progress and finished goods.

3.2.9 Taxation

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

3.2.10 Employee benefit schemes

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

- a) **Gratuity**
Gratuity is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. Valuation is done on "Projected Unit Credit Method". Gratuity is administered by a trust formed for this purpose through the Group Gratuity with Life Incorporation of India.
- b) **Leave encashment**
Leave Encashment liability, being a retirement benefit, is accounted for on actuarial valuation basis.

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

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the Financial statements.

3.2.12 Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income. The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period

ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2017 has been deferred/capitalized.

3.2.13 Earnings per share

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

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

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

3.2.14 Segment Reporting

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

3.2.15 Cash Flow Statement

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

3.2.16 Research and development

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

3.2.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.2.18 Use Of Estimates

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

3.2.19 Share Issue Expenses

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

(All Amount in ₹ Lakhs, unless otherwise stated)

4 FIXED ASSETS	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2016
	₹	₹	₹
4.1 Tangible assets	5,325	4,112	2,123
	<u>5,325</u>	<u>4,112</u>	<u>2,123</u>
4.2 Intangible assets	31	9	7
	<u>31</u>	<u>9</u>	<u>7</u>
4.3 Capital work in progress	797	993	505
	<u>797</u>	<u>993</u>	<u>505</u>

Note 4. FIXED ASSETS AS ON 31.03.2018
4.1 PROPERTY PLANT AND EQUIPMENT (All Amount in ₹ Lakhs, unless otherwise stated)

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01-04-2017	Additions during the year	Sale/Adjustment during the year	As At 31.03.2018	Upto 31.03.2017	For the period ended as on 31.03.2018	Adjustment during the year	Total upto 31.03.2018	As At 31.03.2018	As At 31.03.2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND	1,354	-	-	1,354	-	-	-	-	1,354	1,354
BUILDING	474	322	-	797	101	16	-	118	679	373
PLANT & MACHINERY	4,895	1,325	71	6,149	2,761	420	24	3,158	2,991	2,133
VEHICLES	262	7	8	262	96	31	4	122	139	166
FURNITURE & FIXTURES	38	7	-	45	29	3	-	32	12	9
OFFICE EQUIPMENT	87	2	-	89	70	5	-	75	14	17
ELECTRIC INSTALLATION	103	82	-	185	52	9	-	61	124	51
TUBEWELL	4	-	-	4	3	-	-	3	-	1
COMPUTER	47	7	-	54	39	4	-	43	11	8
TOTAL	7,264	1,753	79	8,938	3,152	489	28	3,613	5,325	4,112
PREVIOUS YEAR	4,947	2,373	56	7,264	2,823	367	38	3,152	4,112	2,123

4.2 : CAPITAL WORK IN PROGRESS

CWIP - BUILDING	441	446	322	564	-	-	-	-	564	441
CWIP - PLANT & MACHINERY	543	51	360	233	-	-	-	-	233	543
CWIP - INTANGIBLE	10	-	10	-	-	-	-	-	-	10
TOTAL	993	497	692	797	-	-	-	-	797	993
PREVIOUS YEAR	505	488	-	993	-	-	-	-	993	505

4.3 : INTANGIBLE ASSETS

INTANGIBLE ASSETS	11	24	-	34	1	2	-	3	31	9
TOTAL	11	24	-	34	1	2	-	3	31	9
PREVIOUS YEAR	7	4	-	11	-	1	-	1	9	7

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
5 NON -CURRENT INVESTMENTS			
UNQUOTED NON TRADE EQUITY INSTRUMENTS (AT COST)			
Investments in equity instruments	9	9	9
Talbro's Cork Products Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each) (PY. 33000)			
Total Non-Current Investments	<u>9</u>	<u>9</u>	<u>9</u>
6 TRADE RECEIVABLES			
Unsecured, Considered Good	-	31	19
	<u>-</u>	<u>31</u>	<u>19</u>
7 LOANS			
UNSECURED, CONSIDERED GOOD			
Security Deposits	122	56	245
Total Long Term Loans and Advances	<u>122</u>	<u>56</u>	<u>245</u>
8 OTHER NON CURRENT ASSETS			
Capital Advances	-	69	694
	<u>-</u>	<u>69</u>	<u>694</u>
9 INVENTORIES			
(Taken, Valued and Certified by the Management)			
Raw Materials	1,378	442	189
Work-in-Progress	1,906	1,465	1,257
Finished Goods	-	2	8
Stores, Spares and Loose Tools	261	66	85
Scrap	98	30	13
Others (Packing Materials)	24	2	1
Total Inventories	<u>3,667</u>	<u>2,007</u>	<u>1,553</u>
10 TRADE RECEIVABLES			
Unsecured, Considered Good	2,868	1,833	1,648
Total Trade Receivables	<u>2,868</u>	<u>1,833</u>	<u>1,648</u>
11 CASH AND BANK BALANCES			
CASH AND CASH EQUIVALENTS			
Cash in hand	-	1	4
Balances with banks			
In current accounts	182	26	63
Fixed Deposit with Bank (Current Maturity)	-	94	-
	<u>182</u>	<u>121</u>	<u>67</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
12 OTHER BANK BALANCES			
Individend accounts	11	9	9
Margin Money with Bank	-	9	-
	<u>11</u>	<u>18</u>	<u>10</u>
13 LOANS			
Loans to Employees	3	5	8
	<u>3</u>	<u>5</u>	<u>8</u>
14 ASSETS FOR CURRENT TAX (Net)			
Advance Income Tax	466	322	188
Provision for Income Tax	350	320	200
	<u>116</u>	<u>2</u>	<u>(12)</u>
15 OTHER CURRENT ASSETS			
Unsecured, Considered Good			
Prepaid Expenses	12	8	8
Advance to Suppliers	389	20	101
Other Advances	13	4	8
Balances with Statutory/Government Authorities:-			
Excise Duty Balance	50	271	169
Income Tax Advance	14	37	39
Sales Tax Advance	133	106	204
Duty Drawback Receivable	10	9	5
Total Other Current Assets	<u>620</u>	<u>455</u>	<u>534</u>
16 EQUITY SHARE CAPITAL			
16.1 AUTHORISED SHARE CAPITAL			
51,00,000 (P.Y. 30,00,000) Equity Shares of ₹ 10/- each	<u>51,00,000</u>	<u>30,00,000</u>	<u>30,00,000</u>
16.2 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL			
50,76,504 (P.Y. 25,38,252) Equity Shares of ₹ 10/- each fully paid up	<u>508</u>	<u>254</u>	<u>254</u>
Total Issued, Subscribed and fully paid up capital	<u>508</u>	<u>254</u>	<u>254</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	No. of Shares As at 31st March, 2018	No. of Shares As at 31st March, 2017	No. of Shares As at 31st March, 2016
16.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD			
Equity shares			
At the beginning of the year	2,538,252	2,538,252	2,538,252
Add: Right Shares issued during the year	-	-	-
Add: Bonus shares issued during the year	2,538,252	-	-
Less: Shares forfeited, etc	-	-	-
Outstanding at the end of the year	5,076,504	2,538,252	2,538,252

16.4 TERMS/ RIGHTS AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having par value of INR ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

During the year ended 31st March 2018, the amount of dividend per share distributed to equity holders was INR 2.00/- per share. The total dividend appropriation paid for the year ended 31st March 2017 amounts to INR 50,76,504/- excluding Dividend Distribution Tax of INR 10,62,250/-. For the Financial year ended on 31st March 2018, the directors have proposed a dividend distribution to equity shareholders at 15%, being ₹ 1.50/- per share.

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

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Rajesh Talwar	1010498	19.91%	505,249	19.91	595,249	23.45
Gita Talwar	1011754	19.93%	505,877	19.93	515,877	20.32
Rakesh Talwar	592634	17.04%	432,524	17.04	296,317	11.67
Naini Talwar	294660	5.80%	147,330	5.80	147,330	5.80
Sartaj K Sahni	451004	8.88%	225,502	8.88	225,502	8.88
Rakesh Talwar (HUF)	272414	5.37%	NIL	NIL	136,207	5.37
Shweta Talwar	357890	7.05%	100000	3.94	NIL	NIL

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
17 OTHER EQUITY			
17.1 CAPITAL RESERVE	175	175	175
17.2 SECURITIES PREMIUM ACCOUNT	179	433	433
17.3 REVALUATION RESERVE	9	9	10
17.4 GENERAL RESERVE	307	307	307
17.5 OTHER RESERVES	76	76	76
17.6 RETAINED EARNINGS	3,870	3,036	2,337
	<u>4,616</u>	<u>4037</u>	<u>3338</u>
17.1 CAPITAL RESERVE			
As per last balance sheet	175	175	175
Add/less: adjustment during the year	-	-	-
Closing balance	<u>175</u>	<u>175</u>	<u>175</u>
17.2 SECURITIES PREMIUM ACCOUNT			
As per last balance sheet	433	433	433
Add: Security premium raised during the year	-	-	-
Less: Bonus Shares Issued	254	-	-
Closing balance	<u>179</u>	<u>433</u>	<u>433</u>
17.3 REVALUATION RESERVE			
Revaluation Reserve	9	10	10
Less: Transferred to Profit & Loss A/c	(0)	(0)	(0)
Closing balance	<u>9</u>	<u>9</u>	<u>10</u>
17.4 GENERAL RESERVE			
As per last balance sheet	307	307	273
Add/less: adjustment during the year	-	-	34
Closing balance	<u>307</u>	<u>307</u>	<u>307</u>
17.5 OTHER RESERVES			
Capital Subsidy			
As per last balance sheet	76	76	76
Add/less: adjustment during the year	-	-	-
Closing balance	<u>76</u>	<u>76</u>	<u>76</u>
17.6 RETAINED EARNINGS			
As per last balance sheet	3,036	2,337	2,034
Profit for the year	896	699	337
Add: Transfer from Other Comprehensive Income	(12)	2	-
Less : Transfer to General reserve	-	-	34
Dividend on equity shares	51	-	-
Dividend distribution tax on dividend	11	-	-
Closing balance	<u>3,858</u>	<u>3,038</u>	<u>2,337</u>
OTHER COMPREHENSIVE INCOME			
Remeasurements of Defined Benefit Obligation(net)	12	(2)	-
Transfer to retained earnings	<u>12</u>	<u>(2)</u>	<u>-</u>
TOTAL	<u>3,870</u>	<u>3,036</u>	<u>2,337</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
18 LONG TERM BORROWINGS			
SECURED BORROWINGS			
Term loans			
From banks	1,033	1,041	232
From others	127	-	4
Total secured long term borrowings (I)	1,160	1,041	235
UNSECURED BORROWINGS			
Loans and advances from related parties	800	533	286
From others	500	-	-
Total unsecured long term borrowings (II)	1,300	533	286
Total Long Term Borrowings (I+II)	2,460	1,575	521

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

	Particulars of loan/security/ guarantee	Terms of Repayment	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2016
1	TERM LOANS FROM BANKS				
	Term Loans from HDFC Bank Limited are secured by First parri-passu charge by way of hypothecation of the Company's assets, both present and future, and further secured by equitable mortgage on Plot no. 74-75, Sector-6, Faridabad, Plot No. 35-38, Hathin and exclusive charge on Plot No. 77, Sector -68, Faridabad. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is 9% p.a.	Monthly payment of equated monthly Installments beginning from the month of disbursement.	Closing Balance		
			INR 725	INR 460	INR 207
			Current Maturity		
			INR 204	INR 147	INR 36
			Non-Current Maturity		
			INR 521	INR 313	INR 171
2	Term Loans from DBS Bank Limited are secured by First parri-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and further secured by hypothecation of current assets both present and future. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is at the rate of 10.25% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	Closing Balance		
			INR 0	INR 30	INR 90
			Current Maturity		
			INR 0	INR 30	INR 60
			Non-Current Maturity		
			INR 0	INR 0	INR 30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Particulars of loan/security/ guarantee	Terms of Repayment	As at 31 st March, 2018	As at 31 st March, 2017	As at 31 st March, 2016
3.	Term Loans from Yes Bank Limited are secured by First parri-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and exclusive charge on Plot no. 76, Sector-6, Faridabad and further secured by hypothecation of current assets both present and future. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. Applicable rate of interest is half yearly MCLR with half yearly interest reset date.	Monthly payment of equated monthly Installments beginning from the month of disbursement.	Closing Balance		
			INR 700	INR 900	INR 0
			Current Maturity		
			INR 200	INR 200	INR 0
			Non-Current Maturity		
			INR 500	INR 700	INR 0
4	TERM LOANS FROM NBFC'S Term loans from Bajaj finance Limited are secured by exclusive charge on plant and machinery purchased and procured out of their loan proceeds. The Term Loans are further secured by personal guarantees of President and Chief Operating Officer of the company. The rate of Interest is 8.5% linked to BFL Linked base rate.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance		
			INR 150	INR 0	INR 0
			Current Maturity		
			INR 23	INR 0	INR 0
			Non-Current Maturity		
			INR 127	INR 0	INR 0
5	VEHICLE LOANS FROM BANKS Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08% p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance		
			INR 33	INR 65	INR 61
			Current Maturity		
			INR 21	INR 37	INR 29
			Non-Current Maturity		
			INR 12	INR 28	INR 31
6	VEHICLE LOANS FROM NBFC'S Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08% p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance		
			INR 0	INR 4	INR 11
			Current Maturity		
			INR 0	INR 4	INR 7
			Non-Current Maturity		
			INR 0	INR 0	INR 4

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
19 DEFERRED TAX LIABILITIES			
Fixed Assets	205	149	163
Disallowance u/s 43 B	-	-	(10)
Deferred Tax Liability (Net)	<u>205</u>	<u>149</u>	<u>152</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
20 LONG TERM PROVISION			
Annual Leave Payable	31	26	25
Total Long Term Provision	<u>31</u>	<u>26</u>	<u>25</u>
21 SHORT TERM BORROWINGS			
SECURED			
Working Capital Loans From Banks*			
IndusInd Bank Ltd	-	-	478
HDFC Bank Ltd	252	114	602
Yes Bank Ltd	957	121	-
DBS Bank Ltd	1,183	947	502
Total Short Term Borrowings	<u>2,392</u>	<u>1,182</u>	<u>1,582</u>
*The facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the company. The facilities of working capital from banks are further secured by personal guarantees of President and COO of the company.			
22 TRADE PAYABLES			
Dues to MSME *	-	-	-
Dues of other than MSME	2,021	1,065	874
Total Trade Payables	<u>2,021</u>	<u>1,065</u>	<u>874</u>
*The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.			
23 OTHER FINANCIAL LIABILITIES			
Current Maturities of Long Term Debt	448	418	133
Interest accrued and due on Borrowings	-	-	-
Interest accrued but not due on borrowings	12	7	2
Creditors for Expenses	402	629	266
Creditors for Capital Expenditure	36	22	4
Unpaid Dividends	11	9	9
Other Liabilities:-			
Accrued Salary & Benefits	52	50	11
Security Job Contractors	29	30	30
Other payables	224	193	147
Total	<u>1,214</u>	<u>1,357</u>	<u>601</u>
24 OTHER CURRENT LIABILITIES			
Advance from Customers	1	3	3
Statutory Dues payable	19	26	18
GST payable	230	-	-
TDS payable	20	15	12
	<u>270</u>	<u>43</u>	<u>33</u>
25 PROVISIONS			
Provision for Employee Benefits	35	32	29
Total Short Term Provisions	<u>35</u>	<u>32</u>	<u>29</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
26 REVENUE FROM OPERATIONS		
SALE OF PRODUCTS		
Domestic Sales	16,338	13,465
Export Sales	4,212	3,841
	<u>20,550</u>	<u>17,306</u>
OTHER OPERATING REVENUES		
Other operating revenues	283	382
Total Revenue From Operations	<u>20,833</u>	<u>17,687</u>
27 OTHER INCOME		
Interest Income	9	2
Discount Received	-	-
Foreign Exchange Fluctuation	54	20
Total Other Income	<u>63</u>	<u>21</u>
28 COST OF RAW MATERIAL CONSUMED		
Opening Stock	442	189
Purchases	10,436	7,470
Cartage Inward	19	9
	<u>10,897</u>	<u>7,667</u>
Closing Stock	(1,378)	(442)
Total Cost of Raw Material Consumed	<u>9,519</u>	<u>7,225</u>
29 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE		
CLOSING STOCK		
Finished Goods	-	2
Work-in-progress	1,906	1,465
Scrap	98	30
	<u>2,004</u>	<u>1,496</u>
OPENING STOCK		
Finished Goods	2	8
Work-in-progress	1,465	1,257
Scrap	30	13
	<u>1,497</u>	<u>1,278</u>
(Increase)/Decrease In Stock	<u>(507)</u>	<u>(218)</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
30 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1,446	1,155
Contribution to Provident and other Funds	53	47
Director's Remuneration	18	27
Gratuity	8	12
Staff Welfare Expenses	308	221
Total Employee Benefits Expense	1,833	1,463
31 FINANCE COST		
Interest Expense	206	189
Other Borrowing Cost	134	97
Total Finance Cost	340	286
32 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	491	368
Amount transferred from Revaluation Reserve	(0)	(0)
Total Depreciation and Amortisation	491	367
33 OTHER EXPENSES		
MANUFACTURING EXPENSE		
Stores, Spares and Tools Consumed	2,420	1,964
Power & Fuel	1,878	1,715
Processing Charges	662	575
Repairs & Maintenance :	-	
Buildings	66	17
Plant & Machinery	647	387
Other	57	40
Total Manufacturing Expense (I)	5,730	4,698
ADMINISTRATIVE EXPENSES		
Rent, Rates and Taxes	56	29
Fine and penalties	-	3
Insurance	22	21
Travelling Expenses	38	39
Commission on Sale	13	13
Discounts	-	-
Packing Expenses	513	435
Advertisement & Sales Promotion	2	6
Printing & Stationary	13	15
Postage & Telegram	6	4
Telephone Expenses	9	9
Legal & Professional Charges	57	39

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
Membership & Subscription	1	1
Charity & Donation	2	1
Corporate Social Responsibility Expense	12	11
Security Services	78	57
Miscellaneous Expenses	26	5
Loss on Sale of Fixed Assets (Net)	2	4
Conveyance Expenses	8	11
Vehicles Running & Maintenance	17	17
Freight Outward	865	600
Bad Debts written-off	-	7
Auditors Remuneration :-	-	
Audit Fees	3	6
Limited Review	1	1
Taxation Matter	4	-
Director's Sitting Fee	-	0
Total Administrative Expense (II)	1,748	1,335
Total Other Expenses (I+II)	7,478	6,033

34 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

a) Gross amount required to be spent by the company during the year (₹)	14.62
Amount unspent for financial year 2016-17	0.82
Total Amount to be spent on CSR for the year	15.43
b) Amount spent during the year on	
i) Construction/acquisition of any asset	NIL
ii) On purposes other than i) above	12.06

35 SEGMENT REPORTING

The entire operations of the company relates to only one Segment, VIZ. Automobile Components. Hence, as per AS-17 issued by ICAI, there is no reportable Segment

	As at 31st March, 2018	As at 31st March, 2017
36 FOREIGN CURRENCY TRANSACTIONS:		
I. CIF Value of Imports :		
a) Plant & Machinery	4.29 4.29	- -
II. Expenditure in Foreign currency		
a) Commission on Export Sales	11.26	13.44
b) Foreign Travel (Foreign Exchange Utilized)	14.46	24.00
c) Repair & Maint. (Plant & Mach.)	1.01 26.73	0.99 38.43
III. Earnings in Foreign Exchange		
*Value of Export on F.O.B. basis	4,146.01	3,803.47
IV. Dividend paid in Foreign Currency		
Details of amount remitted during the year in foreign currency on account of dividend	NIL	NIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

For the year ended
31st March, 2018

For the year ended
31st March, 2017

37 EARNING PER SHARE

Earning per Share computed in accordance with Accounting Standard (Ind AS-33)

a) Numerator

Net profit after taxation as per Statement of Profit and Loss 908 697

b) Denominator

No. of Shares at the beginning of the year 51 51

Total Equity shares outstanding at the end of the year 51 51

Weighted Average no of Equity shares for the year 51 51

Weighted Average of Diluted Equity shares for the year 51 51

c) Face value per Share (₹) 10 10

d) Earning Per Share

Basic and Diluted (₹) (Adjusted) refer to note no 3.2.13 17.88 13.73

38 ASSETS TAKEN ON OPERATING LEASE AS PER IND AS-19

a) The Company has taken assets on non-cancellable operating lease. Minimum lease payments of INR 42.45 Lacs is charged to Profit & Loss during the year.

b) Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the company are as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
Not later than one year	48.46	9.88
Later than one year and not later than five years	212.09	33.67
Later than five years	-	-

39.1 LEAVE ENCASHMENT

Following Basis were adopted for the computation of the said liabilities

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

Determined by assuming salary rise of 6% per annum have been discounted by assuming the imputed rate of interest of 8 % per annum

Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2018	Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2017
234	31	230	26

39.2 GRATUITY

	As at 31.03.2018	As at 31.03.2017
Assumptions		
Discount Rate	7.37%	7.37%
Salary Escalation	6.00%	6.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

	<u>As at</u> <u>31.03.2018</u>	<u>As at</u> <u>31.03.2017</u>
EMPLOYEE BENEFITS		
Defined Contribution Plans :-		
The Company has recognised INR 4,01,737/- as income in the Statement of Profit and loss account for the year, (P.Y. INR 12,46,811/- as expense) in Statement of Profit & Loss.)		
Defined Benefit Plans :-		
The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded.		
The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2018).		
Table showing changes in present value of obligation	<u>31st March 2018</u>	<u>31st March 2017</u>
Present Value of Obligation as at beginning of Year	141.57	133.10
Interest Cost	10.43	9.81
Past Service Cost	5.97	-
Current Service Cost	9.91	10.37
Benefit Paid	(18.61)	(14.91)
Actuarial (Gain)/Loss on obligation	(20.16)	3.20
Present Value of Obligation as at end of Year	129.11	141.57
Table Showing changes in the Fair Value of Plan Assets	<u>31st March 2018</u>	<u>31st March 2017</u>
Fair Value of Plan Assets at Beginning of Year	139.81	133.02
Expected Return on Plan Assets	11.53	10.97
Employer Contributions	-	10.98
FMC Charges	(0.09)	(0.20)
Benefit Paid	(18.61)	(14.91)
Actuarial (Gain)/Loss on Plan Assets	(1.36)	(0.06)
Fair Value of Plan Assets at end of Year	131.36	139.81
Table Showing Fair Value of Plan Assets	<u>31st March 2018</u>	<u>31st March 2017</u>
Fair Value of Plan Assets at Beginning of Year	139.81	133.02
Actual Return on Plan Assets	10.26	10.91
Employer Contributions	-	10.98
FMC Charges	(0.09)	(0.20)
Benefit Paid	(18.61)	(14.91)
Fair Value of Plan Assets at end of Year	131.36	139.81
Funded Status	2.25	(1.77)
Excess of Actual over estimated return on plan assets	(1.36)	(0.06)
Actuarial Gain / Loss recognized	<u>31st March 2018</u>	<u>31st March 2017</u>
Actuarial Gain / Loss on obligation	20.16	(3.20)
Actuarial Gain / Loss for the year - plan assets	1.36	0.06
Total (Gain)/ Loss for the year	(18.80)	3.26
Actuarial (Gain) / Loss recognized in the year	(18.80)	3.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(All Amount in ₹ Lakhs, unless otherwise stated)

Net Assets / (Liability) Recognized in Balance Sheet	31st March 2018	31st March 2017
Present value of obligations as at the end of year	129.11	141.57
Fair value of plan assets as at the end of the year	131.36	139.81
Fund status	2.25	(1.77)
Excess of Actual over estimated return on plan assets	(1.36)	(0.06)
Net Assets/(Liability) Recognized in Balance Sheet	2.25	(1.77)
Expense Recognized in statement of profit and loss	31st March 2018	31st March 2017
Current Service Cost	9.91	10.37
Past service cost	5.97	-
Interest Cost	10.43	9.81
Expected return on plan assets	(11.53)	(10.97)
Net Actuarial (Gain) / Loss recognized in the year	(18.80)	3.26
Expenses/(Income) recognized in statement of profit and loss	(4.02)	12.47
40 CONTINGENT LIABILITIES AND COMMITMENTS		
CONTINGENT LIABILITIES	31st March 2018	31st March 2017
a) Guarantees	8.00	8.00
b) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	697.18	507.89
c) Estimated amount of contracts remaining to be executed on capital account and not provided		
Total value of Contracts	562.04	304.29
Contracts Remaining to be executed	393.32	235.03
41 LICENSED AND INSTALLED CAPACITY	Axles Shafts (Nos.)	Axles Shafts (Nos.)
Licensed Capacity	N.A.	N.A.
Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter)	1,800,000	1,300,000
Actual Production	1,651,580	1,312,872
42 TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC.		

TURNOVER		For the Year Ended 31st March, 2018		For the Year Ended 31st March, 2017	
Finished Goods:	Units	Quantity	Value	Quantity	Value
Axle Shafts	Nos.	1,651,778	20,550	1,313,766	17,306
Scrap and Others	Kgs	2,248,130	283	1,947,092	306
Total			20,833		17,611
STOCKS OF GOODS					
Opening Stock:					
Axle Shafts	Nos.	198	2	1,092	8
Closing Stock:					
Axle Shafts	Nos.	-	-	198	2

43 CONSUMPTION ANALYSIS

43.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-

	For the Year Ended 31st March, 2018		For the Year Ended 31st March, 2017	
	Quantity	Value	Quantity	Value
Metallic Rods	20,490,930	9,519	17,746,305	7,225
Indigenous	100%	9,519	100%	7,225
Total	100%	9,519	100%	7,225

43.2 COMPOSITIONS OF STORES, SPARES AND TOOLS CONSUMED:-

	For the Year Ended 31st March, 2018		For the Year Ended 31st March, 2017	
	Quantity	Value	Quantity	Value
Indigenous	100%	2,420	100%	1,964
Total	100%	2,420	100%	1,964

44 RELATED PARTY DISCLOSURE AS PER (IND AS-24) ISSUED BY ICAI:-

44.1 KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES

Mr. Tarun Talwar	C.O.O
Mr. Sanjay Sharma	Director (upto November 2017)
Mr. Vijay Kumar Sharma	Director
Mr. Ankush Jindal	Company Secretary
Mr. Kanwar Pal Pawar	CFO
Mr. Tarun Talwar (HUF)	HUF of Mr. Tarun Talwar
Mr. Rajesh Talwar	Father of Tarun Talwar
Ms. Gita Talwar	Mother of Mr. Tarun Talwar
Ms. Sameena Talwar	Sister of Mr. Tarun Talwar
Ms. Shweta Talwar	Wife of Mr. Tarun Talwar

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
MR. TARUN TALWAR	Salary	40.80	28.80	(0.99)	-
MR. SANJAY SHARMA	Salary	6.40	9.86	-	(0.66)
MR. VIJAY KUMAR SHARMA	Salary	10.54	9.78	(0.55)	(0.75)
MR. ANKUSH JINDAL	Salary	6.56	5.94	(0.46)	(0.45)
MR. KANWAR PAL PAWAR	Salary	3.81	3.63	(0.28)	(0.27)
MR. TARUN TALWAR (HUF)	Unsecured Loans Received	-	-	-	(2.30)
	Interest paid on loan	0.08	0.29	-	-
	Unsecured Loan Repaid	2.30	-	-	-
MR. RAJESH TALWAR	Salary	33.00	30.00	(1.09)	(1.67)
	Unsecured Loans Received	-	125.00	-	-
	Unsecured Loan Repaid	-	125.00	-	-
	Interest paid on loan	-	6.06	-	-
MS. GITA TALWAR	Unsecured Loans Received	450.00	607.00	(450.00)	-
	Unsecured Loan Repaid	-	607.00	-	-
	Interest paid on loan	11.06	23.28	-	-
MS. SAMEENA TALWAR	Unsecured Loans Received	14.50	7.00	(23.00)	(8.50)
	Unsecured Loan Repaid	-	2.00	-	-
	Interest paid on loan	1.78	0.96	-	-
	Salary	22.17	22.17	(1.26)	(1.13)
MS. SHWETA TALWAR	Unsecured Loans Received	20.00	-	(56.00)	(36.00)
	Interest paid on loan	4.19	4.50	-	-

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

J.T. Engineering Private Ltd.

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
J.T. Engineering Private Ltd.	Job Work Charges Paid	108.81	30.24	(21.83)	(24.16)

45 FIRST TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 and note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements as at and for the year ended 31 March 2016 and in the preparation of the opening Ind AS balance sheet at 1st April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following notes and tables :

a) Note on Adjustments

- i) Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.
- ii) Under Ind AS, remeasurement of net defined benefit liabilities i.e., actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. There is no impact on the total equity as at March 31, 2017.
- iii) Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty of sale of goods paid/ provided is presented on the face of the statement of profit and loss as part of expenses. There is no impact on the total equity and profit due to the said change.
- iv) Under the Ind AS, Dividend including tax thereon are recognised when declared by the members in a general meeting as opposed to recognition on recommendation by the board of directors under the previous GAAP. The impact of the same has been taken.
- v) Trade discount, rebates, etc. are to be netted off from revenue as opposed to classification in other expenses under Previous GAAP. There is no impact on total equity and profit due to such change

b) IND AS OPTIONAL EXEMPTIONS

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has availed the following exemption:

i) Deemed cost of Property plant and equipments, intangible assets and investments

Ind AS 101 allows the first time adopter elect to continue with the carrying value of all of its property, plant and equipment as recognized in the financial statements as on the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 "Intangible assets" and investment property covered by Ind AS 40 "Investment properties". Accordingly the company has elected to measure all of its property plant and equipment, intangible assets and investment property at their previous GAAP carrying values

ii) Designation of previously recognised financial instruments

Ind AS 101 gives an option to an entity to designate investments in equity instruments at fair value through other comprehensive income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The company has opted to apply this exemption for its investment in equity Investments and has measured its investments in the previous GAAP carrying values.

c) RECONCILIATION BETWEEN PREVIOUS GAAP

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from erstwhile Indian GAAP to Ind AS.

i) Reconciliation of Equity between IND-AS and previous GAAP

Nature of Adjustmemnt	<u>31st March 2017</u>	<u>1st Arpril 2016</u>
Shareholders Equity as per Previous GAAP	4,229	3,592
Adjustments:		
Proposed Dividend	51	-
Tax on proposed dividend	11	-
Shareholders Equity as per Ind AS	<u>4,291</u>	<u>3,592</u>

In line with Ind AS 101, the above adjustments have been carried out through retained earnings in Reserves and Surplus.

ii) Reconciliation of Profit/(loss) after tax between IND-AS and previous GAAP

	<u>31st March 2017</u>
Net profit as per Previous GAAP	699
Adjustments:	
Re-measurement loss on Employee Benefit Schemes taken to Other Comprehensive Income	-
	<u>(2)</u>
Net profit as per Ind AS	697
Add: Other Comprehensive Income	2
Total Comprehensive Income as per Ind AS	<u>699</u>

iii) Reconciliation of cash flows for the year ended March 31, 2017

The transition from erstwhile Indian GAAP to Ind AS has not made a material impact on the statement of cash flows.

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

47 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classification/disclosure.

48 All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.

49 Current year figures are shown in bold prints.

As per our report of even date

For DSRV AND CO LLP

(Formerly known as Dinesh Mohan & Co)

Chartered Accountants

FRN: 006993 N

Sd/-

(D.K. Agarwal)

Partner

Membership No. 85714

Place : Faridabad

Date : 30.05.2018

For and on behalf of the Board of Directors of

TALBROS ENGINEERING LIMITED

Sd/-

Vijay Kumar Sharma

Executive Director

DIN: 06394784

H.No. 309, Sector-3, Faridabad

Sd/-

Ankush Jindal

Company Secretary

M.No. : A26017

H.No. 37, Sector -55, Faridabad

Sd/-

Kuldeep Singh Bhalla

Independent Director

DIN: 07504884

H.No. 454A, Sector 15, Faridabad

Sd/-

Kanwar Pal Pawar

Chief Financial Officer

MCF - 57, Shyam Colony,

Tigaon Road, Ballabgarh



TALBROS ENGINEERING LIMITED

CIN: L74210HR1986PLC033018

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

Ph.: 0129-4284300, Fax: 0129-4061541

Email: cs@bnt-talbroS.com, Website: www.talbroSaxles.com

ATTENDANCE SLIP

Regd. Folio No./DP ID No.*/Client ID No.*	
No. of Shares held	
Name and Address of the Shareholders (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the **32nd ANNUAL GENERAL MEETING** of the Company at Moti Mahal, SCO 16P, Huda Market, Sector 16, Faridabad, Haryana – 121 002 at 10:30 a.m. on Friday, the 28th September, 2018.

.....
Name of the Member/Proxy
(in BLOCK Letters)

.....
Signature of the Member/Proxy

Note:

1. Please complete the Folio/DPID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall
2. Electronic copy of the Annual Report for the financial period ended on 31.03.2018 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2018 and Notice of Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID	Sequence Number
180813009		