

27th

Annual Report

2012-2013



TALBROS ENGINEERING LIMITED



TALBROS ENGINEERING LIMITED

27TH ANNUAL REPORT 2012-2013

BOARD OF DIRECTORS

TARUN TALWAR *(Managing Director)*
KARTIK TALWAR *(Director)*
SUNIL KUMAR *(Director)*
SANJAY SHARMA *(Director)*
VIJAY KUMAR SHARMA *(Director)*

BANKER

BANK OF INDIA

AUDITORS

M/s RAKESH RAJ & ASSOCIATES
CHARTERED ACCOUNTANTS
PLOT NO.565, SECTOR-7B
FARIDABAD 121006 (HARYANA)

REGISTRAR AND TRANSFER AGENT (RTA)

M/s BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD.
BETAL HOUSE, 3rd FLOOR,
99, MADANGIR, BEHIND LSC, NEW DELHI - 110062
Ph. 011-29961281-282 Fax 011-29961284

REGISTERED OFFICE

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

WORKS

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

PLOT NO. 35 TO 38 & 57
INDL. AREA , HATHIN,
DISTT. PALWAL (HARYANA)

PLOT NO. 77, SECTOR-68,
IMT FARIDABAD.

CONTENTS

	Page No.
Notice	3-6
Directors' Report	7-10
Compliance Certificate	11-14
Auditors' Report	15-17
Balance Sheet	18
Profit & Loss Account	19
Cash Flow Statement	20
Notes	21-35



TALBROS ENGINEERING LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of Talbros Engineering Limited will be held on Saturday, the 28th day of September, 2013 at 11.30 a.m. at hotel "Milleneum Plus", 57, Neelam Bata Road, Near Union Bank, Faridabad, Haryana, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date and the report of Board of Directors' and Auditors' thereon.
2. To declare dividend on the equity shares for the financial year 2012-13.
3. To appoint a Director in place of Mr. Kartik Talwar, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Rakesh Raj & Associates, Chartered Accountants, Plot No. 565, Sector-7B, Faridabad be and are hereby reappointed as the statutory auditors of the Company and they will hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a remuneration, as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:
"RESOLVED THAT pursuant to Article 52 and Article 53 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269,

309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, Mr. Sanjay Sharma, who was appointed as an Executive Additional Director in the meeting of the Board of Directors held on 01.10.2012, for a period of 3 years w.e.f. 01.10.2012 to 30.09.2015, be and is hereby appointed as a regular director of the company and his period of office will be liable to determination by retirement of directors by rotation at the remuneration as set out in the explanatory statement annexed in the notice.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary and incidental to give effect to this resolution and to delegate the power for this purpose."

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

"RESOLVED THAT pursuant to Article 52 and Article 53 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, Mr. Vijay Kumar Sharma, who was appointed as an Executive Additional Director in the meeting of the Board of Directors held on 01.10.2012, for a period of 3 years w.e.f. 01.10.2012 to 30.09.2015, be and is hereby appointed as a regular director of the company and his period of office will be liable to determination by retirement of directors by rotation at the remuneration as set out in the explanatory statement annexed in the notice.

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary and incidental to give effect to this resolution and to delegate the power for this purpose."

By order of the Board
For Talbros Engineering Limited

Tarun Talwar
Managing Director

Place: Faridabad
Date: 21.08.2013

NOTES

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy need not be a member of the Company. The duly completed proxy forms should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting. The proxy form is given in this Annual Report.
2. A proxy may not vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2013 to September 28, 2013, both days inclusive, for determining the names of the members eligible to receive dividend on equity shares, if declared in the meeting.
4. Final dividend on equity shares as recommended by the directors for the year ended March 31, 2013, if declared, at the annual general meeting will be paid on or after October 05, 2013:
 - i. To those members whose name appear on the Company's register of members, after giving effect to all the valid transfers in physical form lodged with M/s. Beetal Financial & Computer Services Private Limited, Share Transfer Agent of the Company, on or before September 21, 2013.
 - ii. In respect of shares held in electronic form, to those "deemed members" whose name appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on September 21, 2013.
5. The members holding shares in physical form are requested to notify immediately change of address, if any, to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited, BEETAL HOUSE, 3rd Floor, 99, Madangir, B/H Local Shopping Complex, New Delhi-110062. Members holding shares in demat form are requested to notify immediately change of address, if any, to their concerned Depository Participant (DP) and not to the company. Members are requested to quote their Ledger Folio Number or DP ID and client ID Number for any correspondence.
6. In order to enable the company to remit dividend through National Electronic Clearance Services (NECS), members are requested to provide details of their bank accounts indicating name of the bank, branch, account number and the nine digit MICR code (as appearing on the cheque). It is advisable to attach a photocopy of the cheque leaf / or cancelled cheque leaf. The said information should be submitted to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited, if the shares are held in physical form and if held in electronic form, to their concerned Depository Participant (DP). Payment through NECS shall be subject to the availability of the NECS centers and timely furnishing of the correct and complete information by the members.
7. Members desiring any information on the accounts at the meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
8. Members are requested to take their seats in the Meeting Hall before the scheduled time of commencement of the Annual Proceedings.
9. Please bring your attendance slip along with Annual Report to the meeting as the same will not be distributed in the meeting.
10. Members/Proxies may also please note that only Tea/ Coffee will be served and no gift will be distributed at the venue of Annual General Meeting or elsewhere.
11. We request shareholders to update their email address with their concerned Depository Participant (DP) and if the shares are held in physical form to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited or at beetalrta@gmail.com along with names, address and folio number for registration.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent account Number(PAN) 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 maintain their Demat accounts. Members holding shares in Physical form can submit their PAN details to the company / the Registrar and Transfer agent.

By order of the Board
For Talbros Engineering Limited

Tarun Talwar
Managing Director

Place: Faridabad
Date: 21.08.2013



TALBROS ENGINEERING LIMITED

ANNEXURE TO THE NOTICE DATED 21st AUGUST, 2013.

(Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956)

As required under section 173(2) of the Companies Act, 1956 the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the Notice:

ITEM No. 5

Mr. Sanjay Sharma was appointed as an Additional executive Director by the Board of Director w.e.f. October 01, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 161 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257, 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

Mr. Sanjay Sharma is a Post Graduate Diploma holder in Mechanical Engineering. The Board feels that his presence on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption. Prior to this appointment he was working as a senior Manager Production with our company.

Mr. Sanjay Sharma is 45 years of age with 17 years of work experience. He is an expert from the field of production and general administration. He holds no shares in the company. Companies (other than Talbros Engineering Limited) in which Mr. Sanjay Sharma holds directorship in terms of section 275 of the Companies Act, 1956 is nil.

Mr Sharma will be holding the office for a period of 3 years w.e.f. 01.10.2012 to 30.09.2015 and his period of office will be liable to determination by retirement of directors by rotation at the remuneration which shall be aggregate (with an annual increment upto 20%) of the following:

- Basic Salary: ₹ 20,185/- P.M.
- House Rent Allowance: ₹ 21,802/- P.M.
- Other allowances: ₹ 21,706/- P.M.
- Perquisites upto ₹ 3364/- P.M.
- Contribution towards Provident Fund & Superannuation Fund or Annuity Fund –As per Rules of the Company ₹ 2760/-.

It will be subject to provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, in case of adequacy of profits, the Board of Directors may decide to pay the remuneration, by way of salary, dearness allowance, perquisites, commission and other allowances, bonus which shall not exceed 5 per cent of its net profits in place of above fixed remuneration and if no decision is being made regarding payment of remuneration by way of commission in case of inadequacy of profit, the above salary will continue. In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Sanjay Sharma, the remuneration be paid and allowed to Mr. Sanjay Sharma shall not exceed the ceiling as provided in Section II Part II of the Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as may be provided in the said schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

None of the Directors, except Mr. Sanjay Sharma is concerned or interested in this resolution.

Other information as per Part II, Section II (1) (B) (iii) of Schedule XIII to the Companies Act, 1956 is appended as annexure I

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

ITEM No. 6

Mr. Vijay Kumar Sharma was appointed as an Additional executive Director by the Board of Director w.e.f. October 01, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 161 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257, 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

Mr. Vijay Kumar Sharma is a Diploma holder in Mechanical Engineering. The Board feels that his presence on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption. Prior to this appointment he was working as a senior Manager Production with our company.

Mr. Vijay Kumar Sharma is 51 years of age with 22 years of work experience. He is an expert from the field of production and general administration. He holds no shares in the company. Companies (other than Talbros Engineering Limited) in which Mr. Vijay Kumar Sharma holds directorship in terms of section 275 of the Companies Act, 1956 is nil.

Mr Sharma will be holding the office for a period of 3 years w.e.f. 01.10.2012 to 30.09.2015 and his period of office will be liable to determination by retirement of directors by rotation at the remuneration which shall be aggregate (with an annual increment upto 20%) of the following:

- Basic Salary: ₹ 19975/- P.M.
- House Rent Allowance: ₹ 21,475/- P.M.
- Other allowances ₹ 21,609/- P.M.
- Perquisites upto ₹. 3329/- P.M.
- Contribution towards Provident Fund & Superannuation Fund or Annuity Fund –As per Rules of the Company ₹ 2730/-.

It will be subject to provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, in case of adequacy of profits, the Board of Directors may decide to pay the remuneration, by way of salary, dearness allowance, perquisites, commission and other allowances, bonus which shall not exceed 5 per cent of its net profits in place of above fixed remuneration and if no decision is being made regarding payment of remuneration by way of commission in case of inadequacy of profit, the above salary will continue. In the event of absence or inadequacy of profits in any financial year during the tenure of Mr. Vijay Kumar Sharma, the remuneration be paid and allowed to Mr. Vijay Kumar Sharma shall not exceed the ceiling as provided in Section II Part II of the Schedule XIII of the Companies Act, 1956 or such other



amount and perquisites as may be provided in the said schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

None of the Directors, except Mr. Vijay Kumar Sharma is concerned or interested in this resolution.

Other information as per Part II, Section II (1) (B) (iii) of Schedule XIII to the Companies Act, 1956 is appended as annexure I

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

Annexure I

Statement as per Part II, Section II (1) (B) (III) of Schedule XIII to the Companies Act, 1956.

I. GENERAL INFORMATION

Nature of Industry

The Company is in the business of Engineering Components, manufacturing and supplying Rear Axle shafts to Original Equipment Manufacturers, After Market and Export Segments.

Date of Commencement of Commercial Production

The Company commenced its commercial production in the year 1986.

Financial Performance

(Rs. In Lacs.)

Particulars	2010-11	2011-12	2012-13
Sales	8350	10728	12976
Profit Before Tax	413	655	751
Profit After Tax	261	442	509

Export Performance

During the year 2012-13, the export sales of the Company grew by 14.27% to Rs. 2170.42 Lacs as compared to Rs.1899.42 Lacs in the previous financial year.

II. INFORMATION

Comparative Remuneration Profile with Respect to Industry

The Board of Directors considers that the remuneration and perquisites proposed to be paid are commensurate with their duties and responsibilities. The proposed remuneration is in line with the remuneration being paid to other Whole time Directors in the industry.

Pecuniary Relationship with the Company

Both the directors are past employees of the company.

III. OTHER INFORMATION

Outlook

We expect significant increase in both production and sale. Export will continue to be a leader. The company is addressing the need for infrastructure and capacity enhancement to meet future growth.

Expected Increase In Productivity and Profits In Measurable Terms

(Rs. In Lacs.)

Particulars	2013-14	2014-15	2015-16
Gross Sales	16000.00	17500.00	19500.00
Profit Before Tax	800.00	875.00	980.00

IV. DISCLOSURES

The shareholders of the Company have been informed about the remuneration of the proposed directors as per details given in the resolution at item no.5 & 6 in the notice of this Annual General Meeting attached to the annual report.

All documents in connection with the above resolutions are available for inspections at the Registered Office of the Company on any working day between 11.00 A.M. to 1.00 P.M.

By order of the Board
For Talbro's Engineering Limited

Place: Faridabad
Date: 21.08.2013

Tarun Talwar
Managing Director



DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 27th Annual Report of the Company together with the audited accounts for the year ended on 31st March 2013.

FINANCIAL HIGHLIGHTS:

Financial Results:	Year Ended	
	31st March, 2013	31st March, 2012
	(₹ in Lacs)	
Sales Turnover (Gross)	14299.13	11626.88
Profit before Interest and Depreciation	1353.21	1171.30
Less: Interest	358.20	310.13
Depreciation	243.98	206.25
Profit before Taxation	751.03	654.92
Less: Provision for Current Tax	219.74	206.07
Provision for Deferred Tax	22.68	6.35
Profit After Tax	508.61	442.50
Add: Balance brought forward from the previous year	1138.85	781.82
Profit Available for Appropriation	1647.46	1224.32
Appropriations:		
Proposed Dividend		
Corporate Dividend Tax	42.31	35.26
Transfer to General Reserve	6.86	5.71
Balance Carried Forward	51.00	44.50
	1547.29	1138.85
Total	1647.46	1224.32

DIVIDEND & APPROPRIATION OF PROFITS:

We recommend a dividend of ₹ 3.00 per share. The total dividend payout amount including Corporate Dividend Tax is ₹. 49.17 lacs as against ₹ 40.97 in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 9.67% as compared to 9.26% in the previous year.

The register of members and share transfer books will remain closed from September 21, 2013 to September 28, 2013 (both days inclusive). Our annual general meeting has been scheduled for September 28, 2013.

OPERATIONS:

- i. Your company has shown sales turnover of ₹ 14299.13 Lacs in this financial year ended on 31.03.2013 as against ₹ 11626.88 Lacs for the previous financial year. Net profit after tax for this year is ₹ 508.61 Lacs as compared to ₹ 442.50 Lacs for the previous financial year.
- ii. Reserves & Surplus as on 31.03.2013 will stand at ₹ 2093.16 Lacs as against the paid-up capital of ₹ 141.01 Lacs.

RIGHTS ISSUE:

The company is coming up with a Rights Issue of a size of ₹ 5,00,00,000 (Rupees Five Crores) to raise fresh capital

for procurement of plant and machinery to increase its manufacturing capacity. M/s Corporate Professionals Capital Private Limited, SEBI Registered Cat.1 Merchant Banker, has been appointed as Lead Manager to the Issue and M/s. Beetal Computer & Financial Services (P) Ltd., New Delhi is appointed as Registrar to the Issue. The Delhi Stock Exchange Limited ("DSE") has already given its in principle approval for the same. Your management hopes to raise the fund through this Rights Issue during the current financial year.

EXPORTS:

Exports turnover (F.O.B. value) for the year ended on 31.03.2013 was ₹ 2170.42 Lacs as compared to ₹1899.42 Lacs for the previous financial year.

BUSINESS OUTLOOK FOR THE COMING YEAR:

Despite the general recessionary trend in the automotive sector, your company has performed well and expects to continue this for the coming year. There are several new projects under development. These are both domestic and international. We expect significant contribution from them in the second half of the coming year. Already in the first 4 months of this year we have achieved a growth of over 4.62 %.

We have taken possession of land for the new plant at IMT, Faridabad and construction is expected to start shortly. When this facility is completed, the company's production capacity is expected to increase by up to 50 %.

PERSONNEL:

None of employees are covered pursuant to Sec.217 (2A) of the Companies, Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended on 31st march 2013.

FIXED DEPOSITS:

There are no unclaimed deposits at the year-end.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

Particulars required under section 217 (1) of the Companies Act, 1956 relating to conservation of energy, technology absorption and research and development activities are given in the Annexure to this report.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Expenditure in foreign exchange for Plant & Machinery ₹ 1,00,86,232/-, Foreign Travel ₹ 14,23,810/-, Commission on Export Sales ₹ 17,07,660/- and Repair & Maint. - Plant & Machinery ₹ 3,84,768/-. Meanwhile, earning in foreign exchange value of export on F.O.B. basis is ₹ 21,70,42,467/-.



AUDITORS' OBSERVATION:

The observation made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

DIRECTORS:

During the year under review, Mr. Sanjay Sharma and Mr. Vijay Kumar Sharma were appointed as professional executive additional directors whose period of office was liable to determination by retirement of directors by rotation, subject to the approval of the members at ensuing Annual General Meeting of the company. Their term of appointment is from 01.10.2012 to 30.09.2015 at remuneration as mentioned in the notice of the meeting.

AUDITORS:

The Statutory Auditors of the company M/s. Rakesh Raj & Associates, Chartered Accountants, Regn.No.005145N, Plot No.565, Sector-7B, Faridabad retire at the forthcoming Annual General Meeting. The company has received intimation under Section 224(1-B) of the Companies Act, 1956 from them regarding their eligibility to be re-appointed as Statutory Auditors. The Directors recommend their re-appointment.

COST AUDITORS:

M/s Jai Prakash & Co., cost & management accountancy firm has been appointed as the cost auditors of the company with the approval of Central Government for the financial year 2013-14, as per the provision of Companies Act, 1956, to carry out the cost audit. The cost compliance report for the financial year 2011-12 is available on the MCA portal.

INFORMATION REGARDING LISTING OF SHARES AT DELHI STOCK EXCHANGE:

Equity shares of the company including shares issued during Rights Issue are listed with The Delhi Stock Exchange Association Ltd. The Company has duly paid the listing fees for the year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended on 31st March 2013, the applicable accounting standards have been followed and there is no material departure from the applicable Accounting Standards;
- (ii) That the directors 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) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended on 31st March 2013 on a going concern basis.

DEMATERIALIZATION OF SHARES:

The Company has entered into the Agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) for dematerialization/rematerialization of securities. M/s. Beetal Computer & Financial Services (P) Ltd., New Delhi has been appointed as Electronic Share Transfer Agent in addition to Physical Share Transfer Agent.

COMPLIANCE CERTIFICATE:

As per provisions of Sec. 383A of the Companies Act, 1956, Compliance Certificate from Ms. Mayuri Gupta, Company Secretary in practice is annexed herewith.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation of the hard work with dedication put in by all the employees and working directors of the Company. The Directors also wish to place on record their sincere thanks for the assistance given by the Bank of India and State of Haryana.

The Directors are also grateful to the shareholders, dealers and customers who have reposed their confidence in the company and are hopeful of their continued support in future.

For and on behalf of the Board

Tarun Talwar
Managing Director

Place : Faridabad
Date: 21.08.2013



TALBROS ENGINEERING LIMITED

ANNEXURE TO THE DIRECTORS' REPORT U/S 217(1) (e) OF THE COMPANIES ACT, 1956

FORM A

1. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2012-13	Previous Year 2011-12
A. Power and Fuel Consumption		
1. Electricity		
(A) Purchased		
Unit	97,01,340	74,99,424
Total Amount	₹ 6,23,30,820	₹ 4,04,15,595
Rate Per Unit	₹ 6.42	₹ 5.39
(B) Own Generation		
(i) Through Diesel Generator		
Unit	37,94,206	27,30,441
Unit per ltr of Diesel Oil	6.30	6.29
Cost per Unit	₹ 6.56	₹ 6.12
(ii) Through Steam Turbine/Generator Unit	NIL	NIL
Unit per-ltr of Fuel Oil/Gas Cost/Unit	NIL	NIL
2. LPG (Used in production)		
Quantity (Kgs.)	2,31,660	NIL
Total Cost	₹ 1,61,93,051	NIL
Average Rate	₹ 69.90	NIL
3. LDO		
Quantity (ltrs.)	9,06,000	10,66,000
Total Amount	₹ 3,53,62,052	₹ 3,79,24,618
Average Rate	₹ 39.03	₹ 35.58
4. Others/Internal Generation (Please give details)		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate Per Unit	NIL	NIL
B. Consumption per unit of Production		
	Current Year 1	Previous Year 1
Products (with details) Unit Axles		
Electricity (units)	9.65	9.60
LDO (ltrs.)	0.76	1.05
LPG (Kgs.)	019	NIL

FORM B (See rule 2)

Form of disclosure of particulars with respect to technology absorption

Details of efforts made in technology absorption are given below.

Research and development (R&D)

1. Specific areas in which company R&D : Research & Development work is carried out the company on a continuous basis to develop:
 - a) New Products
 - b) New Materials
 - c) New Processes
2. Benefits derived as a result of the above R&D. : New Products are being developed.
3. Future plan of action. : Company is in search of technical assistance to further reduce rejection, improve productivity and widen products range.

4. Expenditure on R&D	
a) Capital	: Nil
b) Recurring	: Nil
c) Total	: Nil
d) Total R&D expenditure	: Nil
As percentage of total turnover.	

Technology absorption, adaptation and innovation

1. Efforts	: Continuous efforts are being made to achieve higher quality standards and to expand the range of its products.
2. Benefits	: Constant review of material construction and design resulting in increased acceptability of products.
3. Imported technology	: Continuous access to latest technology is required to expand export as well as domestic market.

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENT**

Talbro's Engineering Limited's components are today fitted as OE on leading vehicles on Indian Roads besides finding great acceptance Foreign replacement 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.

OPPORTUNITIES AND THREATS

The Engineering team of the company has world class manufacturing facilities located at Faridabad and Hathin in Haryana and is highly qualified with access to latest technology in the world and it gets reflected in well equipped manufacturing facilities including Upset Forging Machines, Material Gathering Machines (MGM) / Electric Upsetting Machine (Only one in India) Screw Presses, CNC Turning Centres, Cold Spline Rolling Machines, CNC Induction Hardening Stations, Heat Treatment Centres, sophisticated Material Testing Lab, Standard Room and CAD based developed cell.

However, our products demand is dependent on the automobile and agriculture industry growth.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The company mainly manufactures Rear Axle Shaft and continues to undertake steps for quality improvement.

OUTLOOK

The outlook for this year is very healthy. We expect significant increase in both production and sale. Export will continue to be a leader. The company is addressing the need for infrastructure and capacity enhancement to meet future growth.

FINANCE AND OPERATING PERFORMANCE

Your company has shown sales turnover of ₹ 14,299.13 Lacs in this financial year ended on 31.03.2013 as against ₹11,626.88 Lacs for the previous financial year. Net profit after tax for this year is ₹ 508.61 Lacs as compared to ₹ 442.50 Lacs for the previous financial year. Exports turnover (F.O.B. value) for the year ended on 31.03.2013 was ₹ 2,170.42 Lacs as compared to ₹ 1,899.42 Lacs for the previous financial year. The board recommends a dividend of ₹ 3.00 per share. The total dividend payout amount including Corporate Dividend Tax is ₹ 49.17 lacs as against ₹ 40.97 in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 9.67 % as compared to 9.26% in the previous year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The company has a team for monitoring and dealing with matters of staff and workers welfare and industrial relations. These are being continuously monitored and the industrial climate has remained satisfactory during the year.

Place: Faridabad
Date: 21.08.2013

For and on behalf of the Board
Tarun Talwar
Managing Director



COMPLIANCE CERTIFICATE

To
The Members
TALBROS ENGINEERING LIMITED
Plot No.74-75, Sector-6,
Faridabad-121006 (Haryana)

I have examined the registers, records, books and papers of **TALBROS ENGINEERING LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2013 (the financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I hereby certify that:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
 2. The Company has duly filled the forms and returns on the dates as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the annexure.
 3. The company being a public limited company has the minimum prescribed paid up capital.
 4. The Board of Directors duly met 9 (Nine) times on 30th April 2012, 15th June 2012, 31st July 2012, 20th August 2012, 25th August 2012, 1st October 2012, 31st October 2012, 22nd November 2012 and 30th January 2013 in respect of which meetings proper notices were given and the proceedings were duly recorded and signed in the minutes books maintained for the purpose.
 5. The Company closed its Register of Members from 20th September 2012 to 26th September 2012 and necessary compliance of section 154 of the Act has been made.
 6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 26th September, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
 7. No Extra Ordinary General Meeting was held during the financial year.
 8. The Company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
 9. The Company has entered into contracts of job working with M/s J.T. Engineering Pvt. Ltd., a company falling under the category of related party. However, the transactions are made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
 11. Mr. Rajesh Talwar, father of Mr. Tarun Talwar, Managing Director of the Company, was appointed to hold and continue to hold an Office or Place of Profit as President of Company falling within the purview of Section 314 of the Act. The company passed a special resolution for the same in the Annual General Meeting held on 26th September, 2012. All the necessary documents were uploaded on the MCA portal.
 12. The Company has issued duplicate share certificate (s) during the financial year after complying with all the statutory formalities under the Act.
 13. The Company:
 - (i) has delivered all certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. However, there was no allotment of securities during the financial year.
 - (ii) Has deposited amount in a separate bank account for the final dividend declared at the Annual General Meeting for the financial year ended on 31.03.2012 on 26.09.2012, which is within five days of declaration of dividend.
 - (iii) has posted warrants to all the members of the Company for the dividend final declared at the Annual General Meeting held on 26.09.2012 for the financial year ended on 31.03.2012. The amounts that has been transferred in the unpaid dividend account with Development Credit bank Limited as on 31.03.2013 for previous years are as follows:
 1. for the final dividend declared on 25.09.2010 for the financial year 2009-10 ₹ 1,24,003.26 (₹ One Lakh Twenty Four Thousand Three and Twenty six paise only)
 2. for the final dividend declared on 26.09.2011 for the financial year 2010-11 ₹ 1,53,835.50 (₹ One lakh Fifty three Thousand Eight Hundred and Thirty Five and fifty paise only)
 3. for the final dividend declared on 26.09.2012 for the financial year 2011-12 ₹ 1,36,164.50

(₹ One Lakh thirty Six Thousand One Hundred and Sixty four and fifty paise only)

- (iv) there is no application money due for the refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years. The unpaid dividend amounts are lying in separate unpaid dividend accounts with M/s Development credit bank Limited as mentioned above and shall be liable to transfer to Investor Education and Protection fund after seven years.
- (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. Mr. Sanjay Sharma and Mr. Vijay Kumar Sharma were appointed as Additional executive Directors of the company pursuant to section 260 of the Companies Act, 1956 w.e.f 01.10.2012 whose period of tenure will be liable to retire by rotation. Mr. Rajesh Talwar, Mr. M.L.Gupta and Mr. Jayant H H Lai resigned from the directorship of the Board on 25.08.2012. All the necessary documents were uploaded on the MCA portal.
15. There was no appointment of Managing Director/ Whole time director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company obtained approval of the Central Government for appointment of M/s Jai Prakash & Co. as Cost auditor of the company under the provisions of the Act. The company is also coming up with a rights issue and it has sought DSE's in principle approval for the same, whereas SEBI's approval is under processing.
18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. The Company wherever necessary has kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans from the public during the financial year, as specified under sections 58A and 58AA read with Companies (Acceptance of Deposits) Rules 1975. However, the company has accepted deposits **from the person other than public** and has filed the copy of Statement in lieu of Advertisement / necessary particulars as required, with the Registrar of Companies, NCT of Delhi & Haryana. The Company has also filed Return of Deposits with the Registrar of Companies/ Reserve Bank of India/ other authorities in respect of the deposits accepted from the public during the previous financial year.
24. The amounts borrowed by the Company from banks and others during the financial year are within the borrowing limits of the Company and necessary resolutions as per section 293(1)(d) of the Act was passed in the Annual General Meeting held on 26th September, 2012.
25. The Company has not invested / given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to Situation of the registered office of the Company from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the Objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum of Association with respect to Share Capital of the company during the year.
30. The Company has altered its Articles of Association during the financial year and necessary forms were uploaded on the MCA portal.
31. There are 3 cases of labour disputes, 3 cases of Income Tax with ITAT, 1 case of Income Tax with High Court Chandigarh, 2 cases of Income Tax with The Commissioner appeals initiated or show cause notices issued against the Company in the past which are still pending. However, no new prosecution or show cause notices issued against the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted its own Provident Fund and as such the provisions of section 418 of the Act, are not applicable to the Company.

Place : Faridabad
Date : 21.08.2013

Mayuri Gupta
Company Secretary
C.P. No. 5930



ANNEXURE 'A'

Registers as maintained by the Company:

Statutory Registers:

S. No.	Name of Register(s)	Under Section
1.	Register of Investments	49
2.	Register of charges & instrument creating charges	135 & 143
3.	Register of Deposits	58A
4.	Register of Members & Index thereof	150 & 151
5.	Register & Returns	163
6.	Minutes Book of General Meetings, Board Meetings & Meetings of Share Transfer Committee.	193
7.	Books of Accounts	209
8.	Register of particulars of contracts in which directors are interested.	301
9.	Register of Director, Managing Director, Manager, Secretary.	303
10.	Register of Directors' Shareholdings	307
11.	Register of loans and Investments	372A

Other Registers:

- | | |
|-----|--|
| 12. | Register of share transfers. |
| 13. | Register of Directors' attendance. |
| 14. | Register of duplicate share certificates |

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or any other Authorities during the financial year ended on 31/03/2013.

S. No.	Forms & Returns	(U/s)	For	Filed on
1.	Form-62 (Statement in Lieu of Advertisement)	Section 58A read with Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975	For the Financial year ended on 31st March 2012.	30.06.2012
2.	Form-23B	Section 224(1A) of the Companies Act, 1956	Information by auditor to Registrar	23.07.2012
3.	Form-23B	Section 224(1A) of the Companies Act, 1956	Information by auditor to Registrar	23.07.2012
4.	Form-5INV	Rule 3 of IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts as on 26.09.2011	31.08.2012
5.	Form-62 (Annual Return of Fixed Deposits)	Section 58A	For the Financial year ended on 31st March, 2012.	19.09.2012
6.	Form 23C	Section 233B(2)	For application to Central government for appointment of cost auditor.	19.09.2012
7.	Form-32	302(1)	For Cessation of directorship of Mr.Mohan Lal Gupta, Mr. Jayant H H Lal & Mr. Rajesh Talwar	22.09.2012
8.	Form-32	Section 260	For appointment of Mr. Sanjay Sharma & Mr. Vijay Kumar Sharma as Additional Executive Directors.	09.10.2012
9.	Form 25C	Section 269(2) read with schedule XIII	For appointment of Mr. Sanjay Sharma as Additional Executive Director.	12.10.2012
10.	Form 25C	Section 269(2) read with schedule XIII	For appointment of Mr. Vijay Kumar Sharma as Additional Executive Director.	12.10.2012
11.	Form 23	Section 192	For appointment of Mr. Rajesh Talwar as President of the company u/s 314, resolution u/s 293(1)(a) and u/s 293(1)(d).	12.10.2012
12.	Form 66 (Compliance Certificate)	Section 383A	Compliance certificate for the financial year ended on 31st March 2012.	12.10.2012
13.	Form 23	Section 192	Alteration in articles of association	25.10.2012
14.	Form 23D	Section 233B of the Companies Act, 1956	Information by cost auditor to Central Government	29.10.2012
15.	Form-8	Section 125	For registration of creation of mortgage	21.11.2012
16.	Form-20B (Annual Return)	Section 159	For the financial year ended on 31st March 2012.	24.11.2012
17.	Form 23B	Section 224(1A) of the Companies Act, 1956	Information by auditor to registrar	08.12.2012
18.	Form-A-XBRL	Section 209 (1) (d), 600 (3)(b) of the Companies Act, 1956 and relevant Cost Accounting Records Rules, 2011	XBRL document in respect of compliance report of Cost Auditor for the financial year 2011-12 with the Central Government	20.12.2012
19.	Form-5INV	Rule 3 of IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amounts as on 26.09.2012	24.12.2012
20.	Form-23AC XBRL & 23ACA XBRL (Annual Report/ Balance Sheet)	Section 220	For the financial year ended on 31st March 2012.	05.01.2013



INDEPENDENT AUDITORS' REPORT

To The Members of Talbro's Engineering Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **TALBROS ENGINEERING LIMITED** (the Company), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- 2) As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

Place: Faridabad
Date: 27.05.2013

For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Firm Regn No.005145N
Annapurna Gupta
Partner
Membership No. 090858

ANNEXURE TO THE AUDITOR'S REPORT

(As referred in paragraph 3 of our report to the members of **TALBROS ENGINEERING LIMITED** on the accounts for the year ended 31st March 2013)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of Fixed Assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- ii. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of raw material, stores & spares. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. 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. (a) The company has not granted any loans, secured or unsecured from loan to parties covered in register maintained under section 301 of the Companies Act 1956. Hence the provisions of Clause 4 (iii) (a), (b) and (c) are not applicable to the Company.
- (d) The Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 3,84,57,191/- and the year-end balance of loan taken from such parties was ₹ 3,83,25,710/-.
- (e) In our opinion, the rate of interest and other terms and conditions on which the loans and deposits has been taken from companies / parties covered in the register maintained under section 301 of the Companies Act 1956 are not, prima facie, prejudicial to the interest of the company.
- (f) In respect of loans and deposits taken by the company, the principal and the interest has been paid regularly.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses has been noticed in internal controls
- v. (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) Based on the audit procedures applied by us and according to the information and explanations provided by the management, having regards to comments in v (a) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has accepted deposits from persons other than public and necessary provisions of the Companies Act, 1956 and the rules framed therein has been complied with.
- vii. In our opinion, the Company has an in – house internal audit system commensurate with the size and nature of its business and activities.
- viii. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cot records have been maintained. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix. (a) The Company has been *generally* regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Custom Duty and Excise Duty.
- (b) According to the information and explanations given to us, there are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were in arrear as at 31st March 2013 for a period of



TALBROS ENGINEERING LIMITED

more than six months from the date they become payable.

- (c) According to the information and explanations given to us, Details of dues which have not been deposited on account of any dispute are as follows :

Name of Statute	Forum where dispute is pending	Period to which amount relates	Amount Involved (₹)
Income Tax Act	High Court Chandigarh	1995-06	15,33,504/-
Income Tax Act	ITAT Delhi	2004-05	94,28,683/-
Income Tax Act	ITAT Delhi	2005-06	2,41,453/-
Income Tax Act	ITAT Delhi	2006-07	5,81,450/-
Income Tax Act	Commissioner Appeals	2008-09	34,50,000/-
Income Tax Act	Commissioner Appeals	2009-10	7,82,115/-

- x. The Company has no accumulated losses as at 31st March 2013 and has not incurred any cash losses during the financial year covered by our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its Bankers.
- xii. In our opinion and according to the information & explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xvi. As per the information and explanations given to us, the Company has not given corporate guarantees for loans taken by others from banks of financial institutions.
- xvii. To the best of our information and knowledge and as per records verified by us, the Company has applied its term loans for the purpose for which the loans were obtained.
- xviii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xix. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xx. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xxi. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Faridabad
Date : 27.05.2013

For RAKESH RAJ & ASSOCIATES
Chartered Accountants
Firm Regn No.005145N
Annapurna Gupta
Partner
Membership No. 090858

TALBROS ENGINEERING LIMITED



BALANCE SHEET AS AT 31st MARCH, 2013

PARTICULARS	Notes	As at 31st March, 2013		As at 31st March, 2012	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share Capital	3	1,41,01,400		1,41,01,400	
Reserves and Surplus	4	20,93,16,452	22,34,17,852	16,34,02,332	17,75,03,732
Non-Current Liabilities					
Long Term Borrowings	5	8,62,20,623		6,66,35,902	
Deferred Tax Liabilities (Net)	6	2,05,31,932		1,82,64,475	
Long Term Provisions	7	19,40,598	10,86,93,153	16,08,036	8,65,08,413
Current Liabilities					
Short Term Borrowings	8	12,47,59,687		6,66,78,052	
Trade Payables	9	13,35,94,926		10,76,24,887	
Other Current Liabilities	10	5,96,43,617		4,22,02,589	
Short Term Provisions	11	2,95,04,519	34,75,02,749	2,62,71,589	24,27,77,117
TOTAL			67,96,13,754		50,67,89,262
ASSETS :					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	22,43,11,535		19,10,66,238	
Capital Work in Progress	12	—		30,81,671	
Non Current Investments	13	8,60,000		8,60,000	
Long-Term Loans and Advances	14	2,56,80,902	25,08,52,437	1,51,51,652	21,01,59,561
Current Assets					
Inventories	15	12,14,35,809		8,81,32,359	
Trade Receivables	16	19,01,06,492		14,26,90,236	
Cash and Bank Balances	17	4,03,29,030		1,33,17,835	
Short Term Loans and Advances	18	7,47,53,166		5,10,68,026	
Other Current Assets	18.1	18,44,695	42,84,69,192	14,21,245	29,66,29,701
Right Issue Expenses (Misc.Exp Not W/off)			2,92,125		—
TOTAL	2		67,96,13,754		50,67,89,262

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Regd. No. 005145N

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

Annapurna Gupta
Partner
M. No. 090858

Tarun Talwar
Managing Director

Kartik Talwar
Director

Place : Faridabad
Date : 27.05.2013



TALBROS ENGINEERING LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

	Notes	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
		₹	₹	₹	₹
INCOME					
Revenue From Operations (Gross)	19	1,42,99,13,466		1,16,26,87,865	
Less: Excise Duty		13,23,10,891	1,29,76,02,575	8,99,16,874	1,07,27,70,991
Other Income	20		1,41,94,343		2,37,68,735
Total Revenue			1,31,17,96,918		1,09,65,39,726
EXPENSES					
Cost of Raw Material Consumed	21		67,04,33,628		55,20,57,177
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	22		(4,07,21,766)		14,80,829
Employee Benefits Expenses	23		9,66,46,511		7,95,88,440
Finance Costs	24		3,58,19,555		3,10,13,385
Depreciation and Amortization Expense	25		2,43,98,032		2,06,25,144
Other Expenses	26		45,01,18,412		34,62,82,948
Total Expenses			1,23,66,94,372		1,03,10,47,923
Profit before tax			7,51,02,546		6,54,91,803
Tax Expenses :					
Current Tax		2,25,00,000		2,05,00,000	
Deferred Tax		22,67,457		6,34,903	
Wealth Tax		41,320		17,420	
Income Tax : Earlier Year		(5,66,899)	2,42,41,878	90,060	2,12,42,383
Profit for the Year			5,08,60,668		4,42,49,420
Earnings per Equity Share (Face Value of ₹ 10/-)					
Basic and Diluted Earnings Per Share (₹)			36.07		31.38
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 **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Regd. No. 005145N

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

Annapurna Gupta
Partner
M. No. 090858
Place : Faridabad
Date : 27.05.2013

Tarun Talwar
Managing Director

Kartik Talwar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	2012-13		2011-12	
	₹	₹	₹	₹
A CASH FLOWS FROM OPERATING ACTIVITIES				
a Net profit before Tax		7,51,02,546		6,54,91,803
Adjustments for:				
Depreciation	2,43,98,032		2,06,25,144	
Misc. Expenses W/off	2,68,016		4,61,844	
Interest Paid	3,58,19,555		3,10,13,385	
Interest/Dividend income	(5,73,647)		(4,94,152)	
Sales & Services	(8,65,520)		—	
Warranty Claim Paid	57,769		—	
Loss (Profit) on Sale of Fixed Assets	2,56,321	5,93,60,526	74,713	5,16,80,934
b Operating Profit before Working capital changes		13,44,63,072		11,71,72,737
Adjustments for:				
Trade and other Receivables	(6,64,82,666)		(2,95,20,530)	
Inventories	(3,33,03,450)		(10,82,948)	
Trade Payables	2,66,99,100	(7,30,87,016)	1,98,43,409	(1,07,60,069)
		6,13,76,056		10,64,12,668
c Cash generated from Operations				
Direct Tax Paid-Income Tax	(2,79,04,188)		(2,27,75,036)	
Excess / (Short) Provision of Tax	5,66,899	(2,73,37,289)	(90,060)	(2,28,65,096)
Net Cash from/(used) in Operating Activities		3,40,38,767		8,35,47,572
B INVESTING ACTIVITIES				
Sale/Transfer of Fixed Assets	3,45,000		10,42,273	
Interest received & Dividend Recd.	5,73,647		4,94,152	
Decrease/(Increase) in CWIP	—		(23,70,721)	
Purchase of Fixed Assets	(5,82,74,494)		(3,56,34,797)	
Net Cash from/(used) in Investing Activities		(5,73,55,847)		(3,64,69,093)
C FINANCING ACTIVITIES				
Proceeds from Borrowings	7,83,81,981		1,09,59,834	
Repayment/ Transfer of Borrowings	(47,39,314)		(3,16,72,419)	
Fixed Deposits(Net)	1,56,47,094		1,16,49,002	
Interest paid	(3,58,19,555)		(3,10,13,385)	
Right Issue Expense	2,92,125		—	
Dividend Paid	(34,34,056)		(34,27,882)	
Net Cash from/(used) in Financing Activities		5,03,28,275		(4,35,04,850)
NET INCREASE/(DECREASE) IN CASH AND CASH Equivalents (A+B+C)		2,70,11,195		35,73,629
Cash and Cash Equivalent as at:				
- the beginning of the year	1,33,17,835		97,44,206	
- the end of the year	4,03,29,030		1,33,17,835	

As per our report of even date
For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Regd. No. 005145N

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

Annapurna Gupta
Partner
M. No. 090858

Tarun Talwar
Managing Director

Kartik Talwar
Director

Place : Faridabad
Date : 27.05.2013



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

Note : 1 CORPORATE INFORMATION

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, Sector-6, Faridabad-121006 and Plot No 35-38 & 57 Industrial Area, Hathin, Palwal.

Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

Note : 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for Accounting

The financial statements are prepared on historical cost convention except fixed assets, which are stated at revalued amounts. The accounts materially comply with mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.3 Revenue Recognition

- a) Sales include excise duty and are net of returns and trade discounts. Sales are recognized at the time of despatch of goods to the customers.
- b) Export benefits/incentives are recognized in the profits & loss accounts, when the right to receive credit as per terms of the scheme is established in respect of export goods.

2.4 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:

- a) Raw Materials, Stores, Spares & Packing Material are valued at lower of cost or net realisable value. The cost is determined on FIFO Basis.
- b) Work-in-Progress and Finished Goods are valued at material cost and production overhead allocated to them.

2.5 Tangible assets

Fixed assets are stated at cost of acquisition, construction, amount added on revaluation less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of assets. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

2.6 Intangible assets

Intangible assets are recognized as per the criteria specified in Accounting Standard 26 "Intangible Assets" and recorded at the consideration paid for acquisition.

2.7 Depreciation on fixed assets

- a) Depreciation on all fixed assets is charged on straight line method as per rates and in the manner specified in the schedule XIV to the Companies Act, 1956, except on the plant and machinery transferred to the company at the time

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

of hiving off of Engineering Division of Talbro's Automotive Components Limited w.e.f.01.04.95 which is under written down value method.

- b) During the current year, depreciation has been charged on double and triple shift basis, as per actual running of plants.

2.8 Provisions and contingencies

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.

2.9 Research and Development expense

Research and Development costs (other than cost of fixed asset acquired) are charged as an expense in the year in which they are incurred.

2.10 Foreign currency transactions

- a) Foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction
b) Foreign currency monetary items at the year end are restated using the closing rates.
c) Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the profit & loss accounts.

2.11 Investments

Current Investment are valued at cost or market price whichever is lower. Long Term Investments are valued at cost. Any diminution in value, other than temporary is duly accounted for.

2.12 Employee benefits

Retirement benefits to employees comprise contribution to Provident Fund, Gratuity and Leave Encashment under the scheme of the company. The company makes monthly 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.

Gratuity

Gratuity is a defined benefit obligation. The liability is provided for on the basis of actual 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.

Leave encashment

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

2.13 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets prior to commencement of commercial production are capitalized as a part of the cost of such assets. A qualifying asset is the one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

2.14 Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Operating lease payments are recognised as expense in the profit and loss account on a straight line basis over the lease term.

2.15 Cash Flow Statement

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.

2.16 Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provision of Income-Tax Act, 1961. Deferred tax resulting from timing differences between taxable and accounting income is accounted for using



TALBROS ENGINEERING LIMITED

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

the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred Tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

2.17 Impairment of 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 accounting standard 28 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.

NOTES : 3 SHARE CAPITAL	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
3.1 Authorised share capital		
30,00,000 Equity Shares of ₹10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
3.2 Issued, Subscribed and fully paid up capital		
14,10,140 Equity Shares of ₹10/- each fully paid up	<u>1,41,01,400</u>	<u>1,41,01,400</u>
Total Issued, Subscribed and fully paid up capital	<u>1,41,01,400</u>	<u>1,41,01,400</u>
3.3 Reconciliation of the shares outstanding at the beginning and the end of the reporting period	No. of Shares as at 31.03.2013	No. of Shares as at 31.03.2012
Equity shares		
At the beginning of the year	14,10,140	14,10,140
Add: Shares issued during the year	—	—
Add: Bonus shares issued during the year	—	—
Less: Shares forfeited, etc	—	—
Outstanding at the end of the year	<u>14,10,140</u>	<u>14,10,140</u>
3.4 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. During the year ended on 31st March 2013, the company declared and distributed a dividend of INR ₹ 2.50 per share for F.Y. ended on 31.03.2012. 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.

3.5 Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares	%	Number of shares	%
Equity shares of ₹10/- each fully paid				
Rajesh Talwar	2,47,483	17.55%	2,47,483	17.55%
Gita Talwar	2,06,356	14.63%	2,06,356	14.63%
Rakesh Talwar	1,64,621	11.67%	1,64,621	11.67%
Naini Talwar	81,850	5.80%	81,850	5.80%
Tarun Talwar	78,945	5.60%	78,945	5.60%
Sartaj K Sahni	1,29,168	9.15%	1,29,168	9.15%
Rakesh Talwar (HUF)	75,671	5.37%	75,671	5.37%

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, 2013

	As at 31st March, 2013		As at 31st March, 2012
	₹		₹
NOTE : 4 RESERVES AND SURPLUS			
4.1 Capital Reserve			
As per last balance sheet	1,74,87,403		1,74,87,403
4.2 Securities Premium Account			
As per last balance sheet	70,50,700		70,50,700
4.3 Revaluation reserve			
As per last balance sheet	10,89,360		11,19,209
Less: Transferred to Profit & Loss A/c	<u>(29,849)</u>	10,59,511	<u>(29,849)</u>
4.4 General Reserve			
As per last balance sheet	1,62,60,000		1,18,10,000
Add adjustment during the year	<u>51,00,000</u>	2,13,60,000	<u>44,50,000</u>
4.5 Surplus / (deficit) in the statement of Profit and Loss			
As per last balance sheet	11,38,84,964		7,81,82,794
Profit for the year	5,08,60,668		4,42,49,420
Less: Appropriations			
Transfer to General reserve	51,00,000		44,50,000
Dividend proposed on equity shares	42,30,420		35,25,350
Dividend distribution tax on proposed equity dividend	<u>6,86,279</u>	15,47,28,933	<u>5,71,900</u>
4.6 Other reserves : Capital Subsidy			
As per last balance sheet	76,29,905		76,29,905
Total	<u><u>20,93,16,452</u></u>		<u><u>16,34,02,332</u></u>
Note : 5 LONG TERM BORROWINGS			
Secured			
Term loans & Vehicle Loans			
From banks	4,25,62,357		2,82,39,458
Unsecured			
Deposits			
• from shareholders	1,45,45,000		28,29,186
• from Director's Relative	2,91,13,266		1,94,67,258
Loans and advances from related parties	—	4,36,58,266	1,61,00,000
Total	<u><u>8,62,20,623</u></u>		<u><u>3,83,96,444</u></u>
			<u><u>6,66,35,902</u></u>



TALBROS ENGINEERING LIMITED

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

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

Particulars of loan /security/ guarentee	Terms of Repayment	As at 31st March , 2013 ₹	As at 31 st March,2012 ₹
1 Term loans from Bank of India			
Term Loans from Bank of India are secured by First charge by way of mortgage of the Company's immovable properties, both present and future, and further secured by hypothecation of movables both present and future, and subject to prior charges in favour of company's bankers on inventories and other moveable as may be agreed/permitted by lenders for securing borrowings for working capital requirements. The Term Loans are further secured by personal guarantees of two Directors of the company. The rate of Interest is at the rate of 15.25% p.a.	Quarterly payment of equated quarterly Installments beginning from the month of taking the loan	Closing Balance ₹ 5,26,24,115/- Current Maturity ₹ 1,59,86,250/- Non-Current Maturity ₹ 3,66,37,865/-	Closing Balance ₹ 3,86,08,935/- Current Maturity ₹ 1,47,91,910/- Non-Current Maturity ₹ 2,38,17,025/-
2 Vehicle loans from Banks			
Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 10.77 %p.a to 12.08%p.a.	Monthly payment of equated monthly Installments beginning from the month of taking the loan	Closing Balance ₹ 85,03,679/- Current Maturity ₹ 25,79,187/- Non-Current Maturity ₹ 59,24,492/-	Closing Balance ₹ 69,57,825/- Current Maturity ₹ 25,35,392/- Non-Current Maturity ₹ 44,22,433/-

5.3 The company has never defaulted in paying the loan.

NOTE : 6 DEFERRED TAX LIABILITY AS PER AS-22

	Deferred Tax Liability/ (Assets) As at 31st March, 2013 ₹	Deferred Tax Liability/ (Assets) As at 31st March, 2012 ₹
(i) Fixed Assets	2,11,94,698	1,88,15,245
(ii) Disallowance u/s 43 B*	(6,62,766)	(5,50,770)
Deferred Tax Liability (Net)	<u>2,05,31,932</u>	<u>1,82,64,475</u>

Note : 7 LONG TERM PROVISION

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Annual Leave Payable	19,40,598	16,08,036
Total	<u>19,40,598</u>	<u>16,08,036</u>

Note : 8 SHORT TERM BORROWINGS

Secured Working Capital Loans From Bank		
Bank of India (Cash Credit)	12,47,59,687	6,66,78,052
Total	<u>12,47,59,687</u>	<u>6,66,78,052</u>

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

8.1 Particulars of loan /security/ guarantee	Terms of Repayment	As at 31st March , 2013 ₹	As at 31 st March,2012 ₹
Cash Credit from Bank of India The working capital 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 from Bank of India and are further secured by personal guarantees of the two directors of the company	On the Basis of Utilization	Closing Balance ₹ 12,47,59,687/-	Closing Balance ₹ 6,66,78,052/-

Note : 9 TRADE PAYABLES

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Trade Payables	13,35,94,926	10,76,24,887
Total	13,35,94,926	10,76,24,887

Note : 10 OTHER CURRENT LIABILITIES

A) Current Maturities of Long Term Debt Borrowings	3,69,98,568	2,53,00,954
B) Interest accrued and due on Borrowings	2,11,957	2,86,164
C) Interest accrued but not due on Vehicle Loans	39,405	0
D) Advance from Customers	41,62,780	34,89,780
E) Unpaid Dividends	1,88,573	97,468
F) Other Liabilities:-		
i) Accrued Salary & Benefits	41,57,128	35,89,377
ii) Statutory Dues payable (Service tax & CST)	20,89,357	11,275
iii) TDS payable	11,42,934	9,40,441
iv) Others	1,06,52,915	84,87,130
Total	5,96,43,617	4,22,02,589

Note : 11 SHORT TERM PROVISIONS

Provision for Income Tax	2,25,00,000	2,05,00,000
Proposed Equity Dividend	42,30,420	35,25,350
Provision for Wealth Tax	41,320	17,420
Provision for Tax on Proposed Equity Dividend	6,86,279	5,71,900
Provision for Employee Benefits	20,46,500	16,56,919
Total	2,95,04,519	2,62,71,589

Note : 12 FIXED ASSETS

Tangible assets	22,43,11,535	19,10,66,238
Total	22,43,11,535	19,10,66,238
Capital work in progress	—	30,81,671
Total	—	30,81,671



NOTE : 12 TANGIBLE ASSETS FOR THE FINANCIAL YEAR 2012-13

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as at 01.04.2012 ₹	Additions during the year ₹	Deductions during the year ₹	Cost as at 31.03.2013 ₹	As at 01.04.2012 ₹	For the year ₹	Deductions during the year ₹	Upto 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
1	LAND	29,13,242	27,22,100	—	56,35,342	—	—	—	—	56,35,342	29,13,242
2	BUILDING	1,97,42,228	5,00,000	—	2,02,42,228	64,31,769	6,59,436	—	70,91,205	1,31,51,023	1,33,10,459
3	PLANT AND MACHINERY	29,56,94,020	4,87,43,661	—	34,44,37,681	14,46,17,283	2,09,02,999	—	16,55,20,282	17,89,17,399	15,10,76,737
4	VEHICLES	1,85,41,267	52,18,962	11,87,968	2,25,72,261	38,93,851	19,47,410	5,86,647	52,54,614	1,73,17,647	1,46,47,416
5	FURNITURE & FIXTURE	37,66,805	—	—	37,66,805	11,95,016	2,15,607	—	14,10,623	23,56,182	25,71,789
6	OFFICE EQUIPMENTS	55,45,935	5,28,314	—	60,74,249	18,51,913	3,22,637	—	21,74,550	38,99,699	36,94,022
7	ELECTRICAL INSTALLATION	52,28,308	2,92,317	—	55,20,625	29,14,153	2,42,595	—	31,56,748	23,63,877	23,14,155
8	TUBEWELL	2,71,708	—	—	2,71,708	75,800	4,429	—	80,229	1,91,479	1,95,908
9	COMPUTER	31,67,168	2,69,140	—	34,36,308	28,24,653	1,32,768	—	29,57,421	4,78,887	3,42,510
	TOTAL	35,48,70,681	5,82,74,494	11,87,968	41,19,57,207	16,38,04,438	2,44,27,881	5,86,647	18,76,45,672	22,43,11,535	19,10,66,238
	* Capital work in progress	30,81,671	52,98,597	83,80,268						—	30,81,671
	TOTAL:	35,48,70,681	5,82,74,494	11,87,968	41,19,57,207	16,38,04,438	2,44,27,881	5,86,647	18,76,45,672	22,43,11,535	19,41,47,909
	MARCH 31,2012	32,29,86,893	3,56,34,797	37,51,009	35,48,70,681	14,57,83,473	2,06,54,993	26,34,023	16,38,04,443	19,41,47,909	17,79,14,370

* CAPITAL WORK IN PROGRESS TRANSFERRED TO PLANT & MACHINERY

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

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Note : 13 NON -CURRENT INVESTMENTS		
13.1 (a) Unquoted Non Trade equity instruments(At Cost)		
Investments in equity instruments	8,60,000	8,60,000
33,000 fully paid up Equity Shares of Rs. 10/- each of Talbro's Cork Products Pvt.Ltd (Rs. 8,60,000/-)		
Total	<u><u>8,60,000</u></u>	<u><u>8,60,000</u></u>
Note : 14 LONG TERMS LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	2,21,27,468	1,17,69,580
Security Deposits	35,53,434	33,82,072
Total	<u><u>2,56,80,902</u></u>	<u><u>1,51,51,652</u></u>
Note : 15 INVENTORIES		
(Taken , Valued and Certified by the Management)		
Raw Materials	3,04,14,998	3,68,03,423
Work-in-Progress	8,54,11,457	4,54,27,488
Finished Goods	1,72,448	2,23,014
Stores, Spares and Loose Tools	27,30,334	31,62,803
Scrap	26,76,252	18,87,889
Others (Packing Materials)	30,320	6,27,742
Total	<u><u>12,14,35,809</u></u>	<u><u>8,81,32,359</u></u>
Note : 16 TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	47,43,978	24,90,180
Others	18,53,62,514	14,02,00,056
	<u><u>19,01,06,492</u></u>	<u><u>14,26,90,236</u></u>
Note : 17 CASH AND BANK BALANCES		
(a) Cash and Cash Equivalents		
Cash on hand	2,57,463	2,38,862
Balances with banks		
- In current accounts	3,41,37,591	76,02,455
(b) Other Bank Balances		
Fixed Deposit with Bank (Current Maturity)	53,72,880	49,49,333
Margin Money with Bank	5,61,096	5,27,185
Total	<u><u>4,03,29,030</u></u>	<u><u>1,33,17,835</u></u>



TALBROS ENGINEERING LIMITED

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

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Note : 18 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance Recoverable in Cash	13,06,811	41,42,634
Loans to Employees	4,86,334	7,00,549
Advance to Suppliers	58,94,184	23,22,848
Balances with Statutory/Government Authorities:-		
Excise Duty Balance	2,71,06,482	1,93,04,836
Income Tax Advance	36,13,688	36,06,491
Sales Tax Advance	1,56,37,290	69,51,355
Other Short Term Loans and Advances:-		
Advance Income Tax F.Y.2012-2013	2,00,84,386	1,35,49,411
Prepaid Expenses	6,23,991	4,89,902
Total	7,47,53,166	5,10,68,026
18.1 OTHER CURRENT ASSETS		
Duty Drawback Receivable	18,44,695	14,21,245

	Year Ended 31st March, 2013 ₹	Year Ended 31st March, 2012 ₹
Note : 19 REVENUE FROM OPERATIONS		
Sale of Products:-		
- Domestic Sales	1,18,15,13,526	95,06,54,019
- Export Sales	22,20,05,153	19,31,10,600
	1,40,35,18,679	1,14,37,64,619
Other Operational Revenues:-		
- Job Work		
Sales	8,000	—
- Scrap		
Sales	2,63,86,787	1,89,23,246
	2,63,94,787	1,89,23,246
Total	1,42,99,13,466	1,16,26,87,865

Note : 20 OTHER INCOME

Interest income	5,73,647	4,94,152
Discount Received	38,90,347	1,51,61,464
Sales & Services	8,65,520	—
Export Incentive received	—	51,89,469
Duty Drawback received	49,42,880	25,86,955
Foreign Exchange Fluctuation	16,28,531	—
Liabilities written back to the extent not required	19,22,523	1,29,417
Other non-operating income (Misc.Income)	3,70,895	2,07,278
Total	1,41,94,343	2,37,68,735

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

	Year Ended 31st March, 2013 ₹	Year Ended 31st March, 2012 ₹
Note : 21 COST OF RAW MATERIAL CONSUMED		
Opening Stock	3,68,03,423	3,42,79,330
Add : Purchases	66,17,84,579	55,23,75,826
: Cartage Inward	22,60,624	22,05,444
	<u>70,08,48,626</u>	<u>58,88,60,600</u>
Less: Closing Stock	3,04,14,998	3,68,03,423
Total	<u>67,04,33,628</u>	<u>55,20,57,177</u>
Note : 22 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE		
CLOSING STOCK:		
- Finished Goods	1,72,448	2,23,014
- Work-in-progress	8,54,11,457	4,54,27,488
- Scrap	26,76,252	18,87,889
	<u>8,82,60,157</u>	<u>4,75,38,391</u>
Less: OPENING STOCK:		
- Finished Goods	2,23,014	31,15,852
- Work-in-progress	4,54,27,488	4,38,49,551
- Scrap	18,87,889	20,53,817
	<u>4,75,38,391</u>	<u>4,90,19,220</u>
(INCREASE) / DECREASE IN STOCK	<u>(4,07,21,766)</u>	<u>14,80,829</u>
Note : 23 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	7,21,83,294	5,85,30,952
Contribution to Provident and other Funds	37,10,361	33,10,425
Director's Remuneration	43,30,452	43,67,910
Gratuity	17,07,997	5,65,531
Staff Welfare Expenses	1,47,14,407	1,28,13,622
Total	<u>9,66,46,511</u>	<u>7,95,88,440</u>
Note : 24 FINANCE COSTS		
Interest Expense	95,50,436	75,21,597
Interest on Term Loans	64,57,708	80,26,110
Interest on Working Capital	98,04,114	86,69,396
Interest on Fixed Deposits	79,69,874	53,75,969
Bank Charges	20,37,423	14,20,313
Total	<u>3,58,19,555</u>	<u>3,10,13,385</u>
Note : 25 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	2,44,27,881	2,06,54,993
Less:- Amt trf from Revaluation Reserve	(29,849)	(29,849)
Total	<u>2,43,98,032</u>	<u>2,06,25,144</u>



TALBROS ENGINEERING LIMITED

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

	Year Ended 31st March, 2013 ₹	Year Ended 31st March, 2012 ₹
Note : 26 OTHER EXPENSES		
Manufacturing Expenses:-		
Stores, Spares and Tools Consumed	13,88,02,762	10,11,70,383
Power & Fuel	13,89,38,616	9,55,55,049
Processing Charges	3,57,46,782	3,62,96,625
Repairs & Maintenance :		
Buildings	55,15,595	63,87,671
Plant & Machinery	3,94,80,522	2,69,54,926
Other	36,75,649	30,09,423
Total (A)	36,21,59,926	26,93,74,077
Administrative Expenses		
Rent, Rates and Taxes	10,07,301	18,22,456
Insurance	10,78,660	11,92,409
Travelling Expenses	29,40,468	44,01,470
Commission on Sale	20,35,282	12,72,421
Discounts	95,202	1,25,181
Commission & Discnt on DEPB Licence	1,87,783	7,22,115
Packing Expenses	3,24,55,991	2,47,54,061
Advertisement & Sales Promotion	7,44,881	38,03,935
Printing & Stationary	10,40,627	9,60,929
Postage & Telegram	3,41,520	2,92,547
Telephone Expenses	8,18,421	9,12,658
Legal & Professional Charges	14,66,280	21,08,980
Membership & Subscription	316,246	1,20,825
Charity & Donation	5,83,701	55,201
Foreign Exchange Fluctuation	—	2,08,075
Security Services	22,97,495	16,68,707
Miscellaneous Expenses	5,02,057	3,29,763
Loss on Sale of Fixed Assets (Net)	2,56,321	74,713
Conveyance Expenses	6,94,392	7,70,154
Warranty Claim Paid	57,769	—
Vehicles Running & Maintenance	16,97,658	13,64,877
Freight Outward	3,66,42,415	2,89,25,550
Bad Debts written-off	2,68,016	4,61,844
Auditors Remuneration :-		
Audit Fees	3,50,000	3,50,000
Limited Review	75,000	75,000
Taxation Matter	—	1,10,000
Director's Sitting Fee	5,000	25,000
Total (B)	8,79,58,486	7,69,08,871
TOTAL (A+B)	45,01,18,412	34,62,82,948

Note : 27 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

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

	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Note : 28 FOREIGN CURRENCY TRANSACTIONS:		
I. CIF Value of Imports :		
a) Plant & Machinery	1,00,86,232	84,15,943
II. Expenditure in Foreign currency		
a) Commission on Export Sales	17,07,660	6,28,071
b) Foreign Travel (Foreign Exchange Utilized)	14,23,810	23,05,386
c) Repair & Maint. (Plant & Mach.)	3,84,768	8,44,204
III. Earnings in Foreign Exchange		
Value of Export on F.O.B. basis	21,70,42,467	18,99,41,781

Note : 29 DEFINED BENEFIT PLANS AS PER AS-15

29.1 Gratuity :-

Assumptions		
Discount Rate	8%	8%
Salary Escalation	6%	6%
Table showing changes in present value of obligation		
Present Value of Obligation as at beginning of Year	1,07,51,132	96,45,552
Interest Cost	8,60,091	7,71,644
Current Service Cost	5,61,227	4,92,406
Benefit Paid	(6,99,680)	(3,51,377)
Actuarial (Gain) / Loss on obligation	13,33,637	1,92,907
Present Value of Obligation as at end of Year	1,28,06,407	1,07,51,132
Table Showing changes in the Fair Value of Plan Assets As on 31.03.2013		
Fair Value of Plan Assets at Beginning of Year	1,07,46,252	95,11,788
Expected Return on Plan Assets	10,46,958	8,91,426
Contributions	14,07,382	6,94,415
Benefit Paid	(6,99,680)	(3,51,377)
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Present Value of Plan Assets at end of Year	1,25,00,912	1,07,46,252
Table Showing Fair Value of Plan Assets		
Fair Value of Plan Assets at Beginning of Year	1,07,46,252	95,11,788
Actual Return on Plan Assets	10,46,958	8,91,426
Contributions	14,07,382	6,94,415
Benefit Paid	(6,99,680)	(3,51,377)
Fair Value of Plan Assets at end of Year	1,25,00,912	1,07,46,252
Funded Status	(3,05,495)	(4,880)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
Actuarial Gain / Loss recognized		
Actuarial Gain / Loss on obligation	(13,33,637)	(1,92,907)
Actuarial Gain / Loss for the year - plan assets	NIL	NIL
Total Gain / Loss for the year	13,33,637	1,92,907
Actuarial Gain / Loss recognized in the year	13,33,637	1,92,907
Net Assets / (Liability) Recognized in Balance Sheet		
Present value of obligations as at the end of year	1,28,06,407	1,07,51,132
Fair value of plan assets as at the end of the year	1,25,00,912	1,07,46,252
Fund status	(3,05,495)	(4,880)
Net Assets / (Liability) Recognized in Balance Sheet	(3,05,495)	4,880
Expense Recognized in statement of profit and loss		
Current Service Cost	5,61,227	4,92,406
Interest Cost	8,60,091	7,71,644
Expected return on plan assets	(10,46,958)	(8,91,426)
Net Actuarial (Gain) / Loss recognized in the year	13,33,637	1,92,907
Expenses recognized in statement of profit and loss	17,07,997	5,65,531



TALBROS ENGINEERING LIMITED

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

29.2 Leave Encashment:-

Following Basis were adopted for the computation of the said liabilities

- a) Mortality Table : LIC 1994-96 Ultimate
- b) Suitable adjustment in respect of withdrawals and other Restrictive provisions.
- c) 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 %

Numbers of Employees	Actuarial Value of Leave Encashment 31.03.2013 ₹	Numbers Of Employees	Actuarial Value of Leave Encashment 31.03.2012 ₹
210	20,42,736	199	16,92,670

Note : 30 CONTINGENT LIABILITIES AND COMMITMENTS

	Year Ended 31st March, 2013 ₹	Year Ended 31st March, 2012 ₹
30.1 Contingent liabilities		
(i) Guarantees	12,04,500	12,04,500
(ii) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	4,15,05,050	3,70,77,823
(iii) Estimated amount of ontracts remaining to be executed on capital account and not provided		
Total value of Contracts	7,34,71,668	5,02,86,949
Contracts Remaining to be executed	5,13,44,200	3,85,17,369

Note : 31 MANAGERIAL REMUNERATION

- a) The company is of the opinion that the computation of net profits under section 349 of the Companies Act, 1956 (for the purpose of calculation of Director's remuneration) need not be furnished since no commission has been paid to the Directors this year and only the remuneration in accordance with the provisions of the Schedule XIII of the companies Act, 1956 has been paid.

- b) Managerial remuneration under section 198 and as per rules prescribed under Schedule XIII of the Companies Act, 1956 is as under: -

Salaries	41,89,512	41,99,370
Perquisites	1,40,940	1,68,540
Employer Contribution to Provident Fund	2,73,715	3,06,000
Total	46,04,167	46,73,910

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

Note : 32 RELATED PARTY DISCLOSURE AS PER (AS-18) ISSUED BY ICAI:-

Key managerial personnel and their Relatives

Mr. Rajesh Talwar	President
Mr. Sanjay Sharma	Director
Mr. Vijay Sharma	Director
Mrs. Gita Taiwar	Wife of Mr. Rajesh Taiwar
Mr. Tarun Talwar	Son of Mr. Rajesh Talwar
Ms. Sameena Talwar	Daughter of Mr. Rajesh Talwar
Master Amar Talwar	Daughter's son of Mr. Rajesh Talwar

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
		₹	₹	₹	₹
MR. RAJESH TALWAR	Salary	30,00,000	30,00,000	(1,58,148)	(1,76,867)
	FD RECEIVED	—	7,00,000	(7,00,000)	(7,00,000)
	INTT. ON FD	87,500	1,11,238	—	—
	FD REPAID	—	8,50,000	—	—
MR. TARUN TALWAR	FD RECEIVED	—	5,13,304	(10,53,123)	(12,73,970)
	INTT. ON FD	1,54,092	87,396	—	—
	SALARY	22,36,213	13,67,910	(1,43,153)	(84,762)
	FD CONVERTED	2,26,425	2,26,425	—	—
Mr. SANJAY SHARMA	SALARY	3,82,158	—	(42,487)	—
Mr. VIJAY SHARMA	SALARY	3,78,354	—	(38,541)	—
DIRECTOR'S RELATIVES					
MRS. GITA TALWAR	LOAN RECEIVED	10,00,000	—	(1,61,00,000)	(1,61,00,000)
	LOAN TRF. FROM FD/PAID	10,00,000	—	—	—
	FD RECEIVED	1,19,75,000	26,70,000	(1,28,45,000)	(8,70,000)
	INTT ON FD	14,95,447	5,61,148	—	—
	FD REPAID/TRF.	—	79,89,158	—	—
MS. SAMEENA TALWAR	FD RECEIVED	17,05,000	32,99,205	(69,34,107)	(52,11,015)
	INTT. ON FD	8,25,393	4,27,616	—	—
	FD CONVERTED	2,18,802	9,00,153	—	—
AMAR TALWAR U/G					
Mrs. SAMEENA TALWAR	FD RECEIVED	—	—	(6,93,480)	(6,20,655)
	INTT. ON FD	80,917	65,177	—	—

Enterprises over which Key Managerial Personnel and their relatives having significant influence
J.T. Engineering Private Limited

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
J.T.Engineering Private Limited.	Job Work Charges Paid	40,21,919	39,25,143	(11,15,440)	(22,22,710)



TALBROS ENGINEERING LIMITED

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

	Year Ended 31st March, 2013 ₹	Year Ended 31st March, 2012 ₹
Note : 33 EARNING PER SHARE		
Earning per Share computed in accordance with Accounting Standard (AS-20)		
a) Numerator		
Net profit after taxation as per Statement of Profit and Loss	5,08,60,668	4,42,49,420
b) Denominator		
No. of Shares at the beginning of the year	14,10,140	14,10,140
Total Equity shares outstanding at the end of the year	14,10,140	14,10,140
Weighted Average no of Equity shares for the year	14,10,140	14,10,140
Weighted Average of Diluted Equity shares for the year	14,10,140	14,10,140
c) Face value per Share (₹)	10	10
d) Earning Per Share		
Basic and Diluted (₹)	36.07	31.38

Note : 34 LICENCED 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	13,00,000	12,00,000
Actual Production	11,95,843	10,11,465

Note : 35 TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC.

Turnover Finished Goods:	Units	Year Ended 31st March, 2013		Year Ended 31.03.2012	
		Quantity	Value ₹	Quantity	Value ₹
Axle Shafts	Nos.	11,95,876	1,40,35,26,679	10,13,803	1,14,37,64,619
Scrap and Others	Kgs.	13,82,650	2,63,86,787	12,22,240	1,89,23,246
TOTAL			1,42,99,13,466		1,16,26,87,865
STOCKS OF GOODS					
Opening Stock:					
Axle Shafts	Nos.	274	2,23,014	2,612	31,15,852
Closing Stock:					
Axle Shafts	Nos.	241	1,72,448	274	2,23,014



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

Note : 36 CONSUMPTION ANALYSIS

Units	Year Ended 31st March, 2013		Year Ended 31.03.2012	
	Quantity	Value ₹	Quantity	Value ₹
Consumption of raw material and components:-				
Metalic Rods				
Kgs	1,43,96,265	67,04,33,628	1,20,49,237	55,20,57,177
Imported	—	—	—	—
Indeigeous	100%	67,04,33,628	100%	55,20,57,177
Total	100%	67,04,33,628	100%	55,20,57,177

36.1 Compositions of Stores , Spares and tools Consumed:-

Imported	—	—	—	—
Indeigeous	100%	13,88,02,762	100%	10,11,70,383
Total	100%	13,88,02,762	100%	10,11,70,383

- 37 In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet and provision or all known liabilities have been made.
- 38 The company has initiated the process of obtaining confirmations from suppliers regarding the registration under Micro, Small and Medium Enterprises Development Act, 2006, The Suppliers are not registered wherever the confirmations are received and in other cses, the company is not aware of their registration status and hence information relating to the outstanding balance or interest due is not disclosed as it is not determinable
- 39 Previous year figures have been redrawn to confirm to the curent year's classification as per the notification of Revised Schedule VI under the companies Act1956 for the financial year commencing on or after 01.04.2012
- 40 All amounts in the financial statements are rounded off to the nearest of Rupees, except as otherwise stated.
- 41 Note No.1 to 40 are annexed to and form an integral part of the Balance sheet and Statement of Profit andloss for the year ended as on that Date.

As per our report of even date
For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Regd. No. 005145N

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

Annapurna Gupta
Partner
M. No. 090858
Place : Faridabad
Date : 27.05.2013

Tarun Talwar
Managing Director

Kartik Talwar
Director

TALBROS ENGINEERING LTD.

Regd. Office : 74-75, Sector-6, Faridabad-121 006 (Haryana)

PROXY FORM

I/We _____ of _____
being member(s) of TALBROS ENGINEERING LIMITED hereby appoint Mr./Miss/Mrs. _____
of _____ or failing him/her, Mr./Miss/Mrs. _____
of _____ as my / our

proxy to attend and vote for me / us on my / our behalf, at the 27th ANNUAL GENERAL MEETING of the Company at Hotel "MILLENEUM PLUS", 57, Neelam Bata Road, Near Union Bank, Faridabad, Haryana, at 11.30 A.M. on Saturday, the 28th September, 2013 and at any adjournment thereof.

As Witness my/our hand(s) this _____ of _____ 2013

Signed by the said _____

Affix a
Re. 1/-
Revenue
Stamp

Member(s) Name(s) _____
(in Block Letters)

Folio No. _____ No. of Shares _____

DPID No. _____ Client ID No. _____

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

FOR OFFICE USE ONLY

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

TALBROS ENGINEERING LTD.

Regd. Office : 74-75, Sector-6, Faridabad-121 006 (Haryana)

ADMISSION SLIP

DPID No. _____

Folio No. _____

Client ID No. _____

No. of Shares _____

Name of the Member (in Block Letters) _____

I declare that I am a Registered Shareholder/Proxy/Representative. I hereby record my presence at the at the 27th ANNUAL GENERAL MEETING of the Company at Hotel "MILLENEUM PLUS", 57, Neelam Bata Road, Near Union Bank, Faridabad, Haryana, at 11.30 A.M. on Saturday, the 28th September, 2013.

Member's Signature

Name of Proxy / Representative
(in BLOCK LETTERS)

Proxy's / Representative's
Signature

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

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If undelivered, please return to :

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PLOT NO. 74-75, SECTOR-6,
FARIDABAD 121 006 (Haryana)

