



Empowering Future.  
**Fueling Growth.**

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Talbros Automotive Components Limited  
67<sup>th</sup> Annual Report 2023-24

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## Investor Information

Market Capitalisation (as on March 31, 2024)	₹ 1,608.02 Crores
CIN	L29199HR1956PLC033107
BSE Code	505160
NSE Symbol	TALBROAUTO
Bloomberg Code	TALB:IN
Interim Dividend	₹ 0.20 per share (10%)
Final Dividend	₹ 0.50 per share (25%)
AGM Date	September 25, 2024
AGM Mode	Video Conferencing
AGM Deemed Venue	Registered Office of the Company.

For more investor-related information, please visit:

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

Or simply scan



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

# Empowering Future. Fuelling Growth.

Amid the dynamic shifts of the automotive industry, Talbros Automotive Components Limited leads with an inspiring vision: 'Empowering Future, Fuelling Growth.' Our theme this year echoes our dedication to spearheading advancements in mobility, focusing on innovative and sustainable practices.

We are redefining the industry by integrating the latest advancements and nurturing a culture rich in creativity. Our strategic investments and nimble strategies keep us at the forefront of a rapidly evolving market, setting the stage for a more efficient and robust automotive ecosystem.

Growth at Talbros is powered by our commitment to excellence and our growing international presence. Through strategic alliances and innovative initiatives, we are actively leading the industry's evolution, not just participating and driving it forward.

'Empowering Future. Fuelling Growth.' is more than just our theme. It signifies our pledge to build a brighter, sustainable tomorrow and lay the groundwork for opportunities of tomorrow.



## Our Scope

**6+ Decades**

of Experience in  
Auto Component  
Manufacturing

**30+ Clientele**

of Original Equipment  
Manufacturers across  
the Globe

**2 Joint Ventures**

as International Technology  
Tie-ups

**50+ Years**

of Consistent Dividend  
Pay-out History



# Driving Innovation with Expertise

Talbro's Automotive Components Limited (hereinafter referred to as 'TACL' or 'the Company') has established itself as a prominent player in the auto component manufacturing market with a rich experience spanning over six decades. The Company strives to position itself as one of the most well-rounded auto component manufacturers in the industry.

The Company boasts an extensive portfolio through its joint venture companies, encompassing Gaskets, Heat Shields, Forgings, Chassis and Suspension Systems, Anti-vibration Components, and Hoses. Leveraging this diversified product range, TACL serves various segments within the automobile industry, catering to Passenger Vehicles, Commercial Vehicles, Two-wheelers, Three-wheelers, Agricultural Machinery, Off-loaders, Industrial Vehicles, and more.



## Vision

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



## Mission

### Gasket and Heat Shield

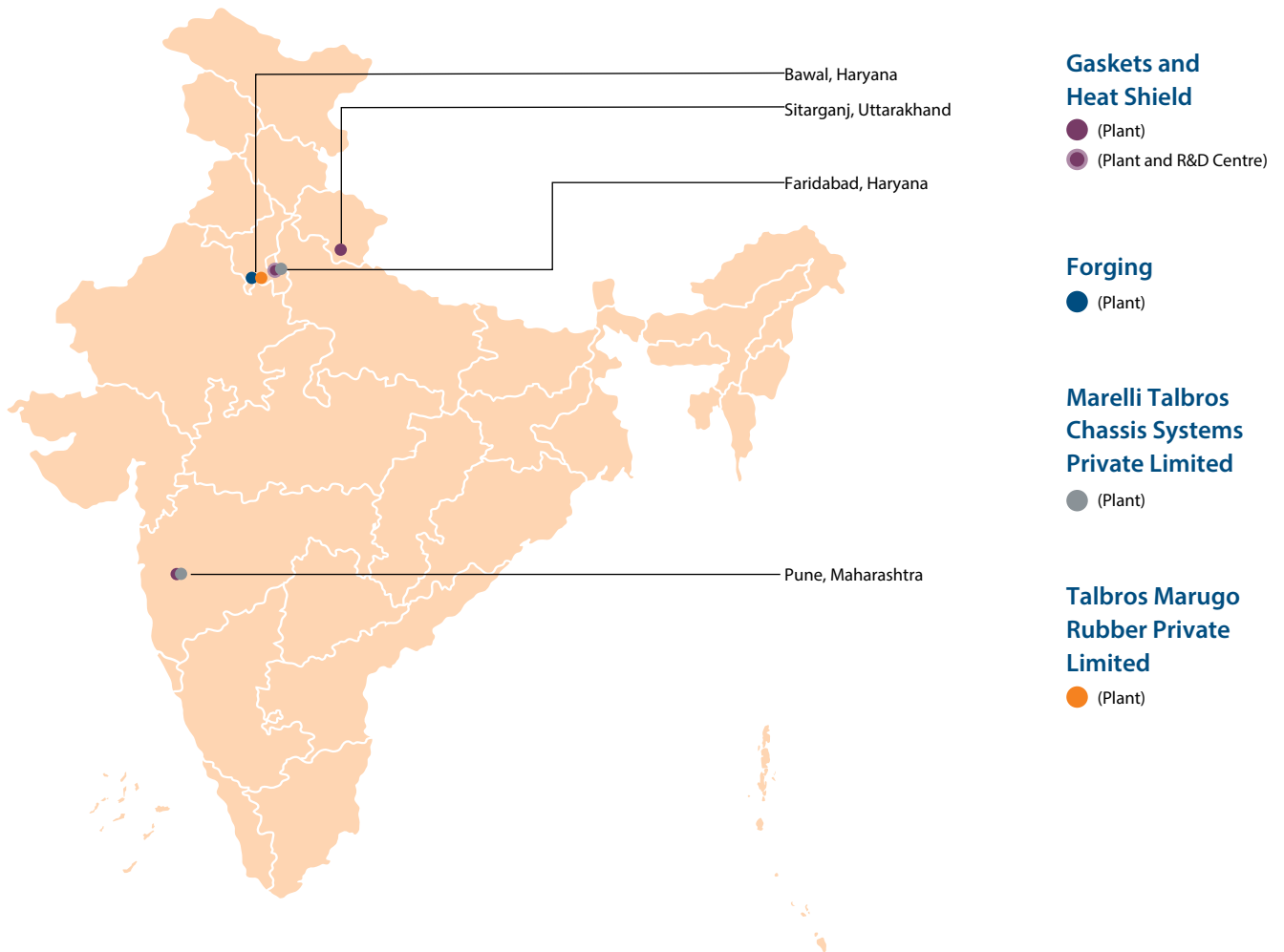
To be committed to foster and uphold our leadership in providing comprehensive sealing solutions at economical prices to our customers across all manufacturing sectors while sustaining a rewarding work environment for our supreme assets, our employees, nurtured by strong brand image and pioneering narrations.

### Forging

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



## Plant Locations



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

## Certification

The company is certified under the following standards:

- IATF 16949:2016**
- ISO 14001:2015**
- ISO 45001:2018**

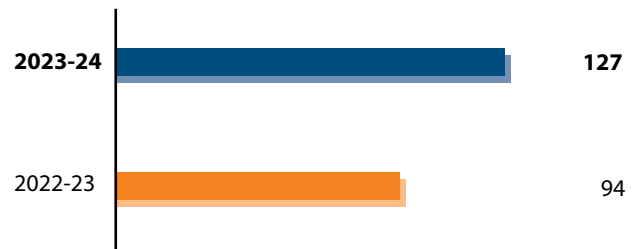
Also certified by the third-party audit as an **asbestos-free and environment-friendly manufacturer**.

# Our Performance Empowering Our Growth: 2023-24 Highlights

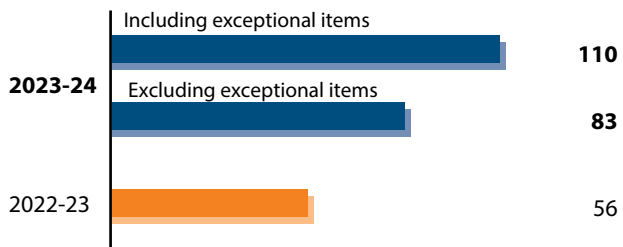
**Total Income** (₹ in Crores)



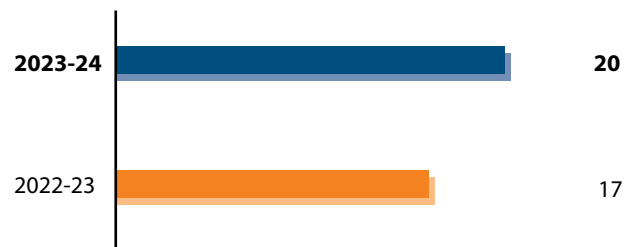
**EBITDA** (₹ in Crores)



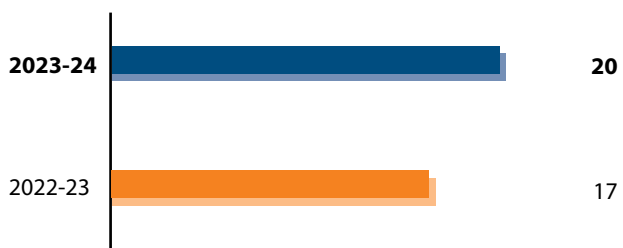
**PAT** (₹ in Crores)



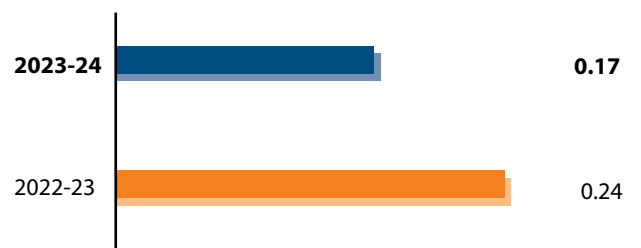
**RoCE** (in %)



**ROE** (in %)

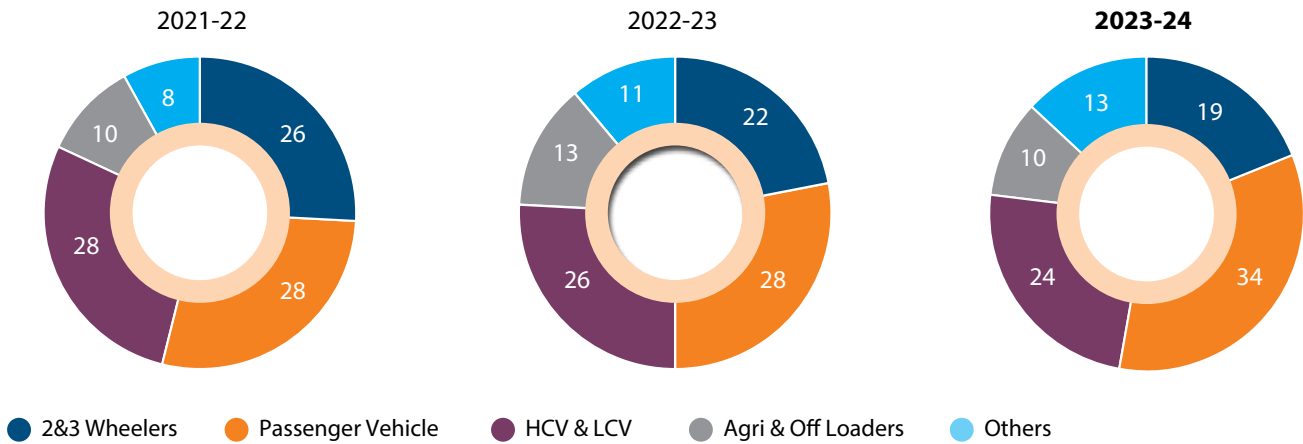


**Debt/Equity** (X)

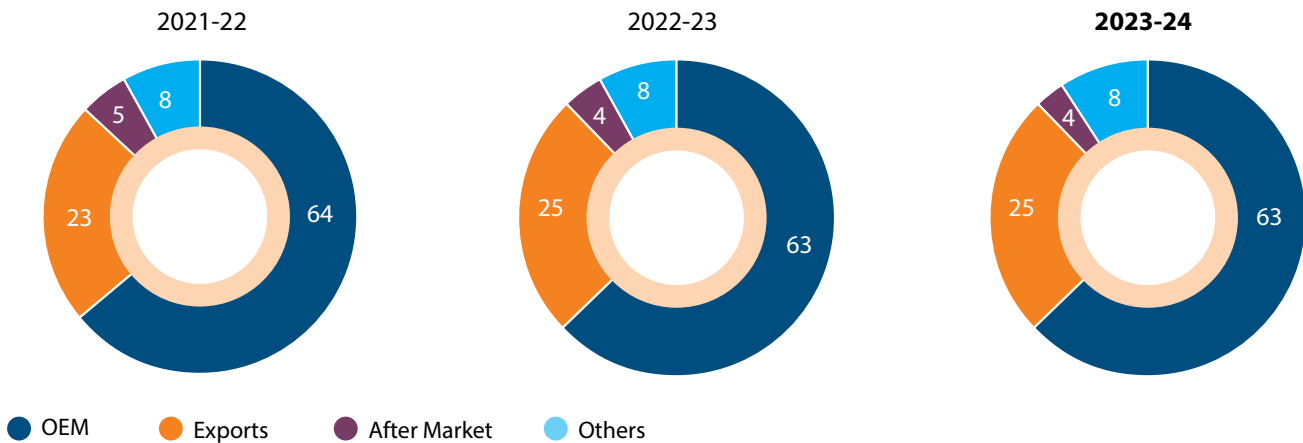


## Analysis across Varied Segments

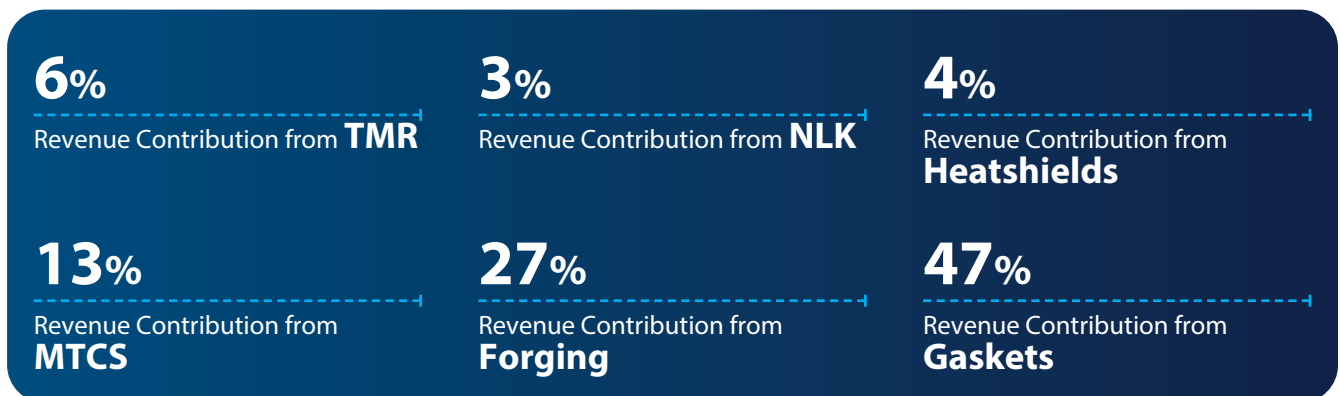
### Domestic Breakup (in %)



### Type of Market (in %)



## Our Hedged Portfolio



# Chairman's Message



## Dear Stakeholders,

I am honoured to present the Annual Report for Talbros Automotive Components Limited for 2023-24. This report reflects the resilience and innovation that have guided our journey over the past year. It highlights the strategic initiatives, key achievements, and milestones that have fuelled our growth, strengthened our market position, and prepared us for the future.

## Macroeconomic Landscape

The fiscal year 2024 was marked by a dynamic and evolving macroeconomic environment. Global economic activities saw a gradual recovery, with notable growth in various sectors, particularly in the automotive industry. The resurgence of consumer demand, coupled with significant technological advancements, fuelled the expansion of the automotive market globally. The increasing inclination towards electric vehicles (EVs) and sustainable solutions has also been a key driver, positioning the industry for substantial long-term growth.

## Industrial Overview

The automotive industry witnessed significant momentum during 2023-24, with a significant increase in vehicle sales across all segments. The Indian automotive sector, in particular, showed remarkable resilience, with a total of 23.8 Mn vehicles sold, representing a 12.5% growth over the previous year. The passenger vehicle (PV) segment saw an 8.4% increase, while two-wheelers grew by 13.3%. The commercial vehicle segment remained stable, indicating a balanced growth trajectory. The rapid adoption of electric vehicles was a standout trend, with EV sales rising by 41%, surpassing 1.6 Mn units, and increasing their penetration rate to 6.8%.

*(Source: <https://economictimes.indiatimes.com/industry/auto/auto-news/passenger-vehicle-wholesales-surge-up-by-8-4-in-fy24-siam-data-shows/articleshow/109238215.cms?from=mdr>  
[https://www.business-standard.com/industry/auto/electric-vehicle-penetration-touches-6-8-mark-in-fy24-shows-data-124040200970\\_1.html](https://www.business-standard.com/industry/auto/electric-vehicle-penetration-touches-6-8-mark-in-fy24-shows-data-124040200970_1.html))*

## EV sector

India has experienced a remarkable shift in EV perception, from 'green premiums' to 'green discounts,' driven by government initiatives, consumer acceptance, and technological advancements, significantly impacting the country's climate strategy. With projections indicating EVs could comprise over 40% of India's automotive market by 2030, this growth promises substantial revenue and job creation. The year 2023-24 saw EV sales surpassing 1.7 Mn units, led by electric two-wheelers at 55% and passenger electric three-wheelers at 32%, with Uttar Pradesh, Maharashtra, Karnataka, Tamil Nadu, and Rajasthan emerging as top-selling states, and collectively accounting for over 50% of the market share, showcasing widespread adoption. This transformative journey signifies a shift towards sustainable mobility, offering opportunities for

growth, innovation, and environmental stewardship, with immense potential for collaboration and advancement towards a greener future.

*(Source: <https://energy.economictimes.indiatimes.com/tag/bain+%26+company>)*

*[https://energy.economictimes.indiatimes.com/news/power/indias-ev-revolution-green-premiums-turn-to-green-discounts-as-market-matures/110192146?utm\\_source=top\\_news&utm\\_medium=tagListing](https://energy.economictimes.indiatimes.com/news/power/indias-ev-revolution-green-premiums-turn-to-green-discounts-as-market-matures/110192146?utm_source=top_news&utm_medium=tagListing)*

*<https://energy.economictimes.indiatimes.com/news/power/electric-two-wheelers-lead-as-indias-ev-sales-cross-1-7-million-in-fy2024/109810098>*

## Operational Highlights

Talbros Automotive Components Limited demonstrated robust operational performance during the period, driven by its diversified product portfolio and strategic collaborations. The Company continued to optimise its manufacturing processes, ensuring high-quality output while maintaining operational efficiency. Talbros successfully expanded its customer base, catering to both domestic and international markets, and sustained strong relationships with OEMs.

Our focus on expanding our EV portfolio has been fruitful, contributing to a growing share of our revenue. Our heat shields and gasket divisions showed strong performance, supported by key orders from leading OEMs such as Maruti, Kia, and Hyundai. Additionally, the Company focused on innovation and technology upgrades, reinforcing its position as a leading supplier in the automotive components industry. Continuous improvements in supply chain management and strategic cost control measures also contributed to the Company's operational resilience during the year.

## Business Review

Our Gasket and Heat Shield business continues to demonstrate robust performance, reaffirming its leadership position in the market. For 2023-24, we



achieved a remarkable total income of ₹ 515 Crores, up from ₹ 434 Crores in the previous year. This impressive growth underscores the strength of our product portfolio and our deep commitment to innovation. With a 50% market share, it remains a significant contributor to the Company's consolidated revenue, delivering consistent financial results. Looking ahead, we aim to sustain this momentum, targeting a 13% CAGR in revenue growth through 2026-27 by expanding our gasket and heat shield business, increasing exports, and diversifying our portfolio.

Our Forging Business has remained a cornerstone of our growth, demonstrating remarkable performance throughout the year. For 2023-24, it achieved a noteworthy revenue increase, reaching ₹ 277 Crores, up from ₹ 219 Crores the previous year, and representing 28% of our total revenue. The division's success in securing new international orders has significantly bolstered our financial strength. Looking ahead, we are poised to drive revenue growth with a targeted 23% CAGR through 2026-27, focusing on expanding our presence in the electric vehicle sector, enhancing our export capabilities, and strengthening our Agri and Off-Highway portfolios.

The Company took a strategic decision to divest its complete 40% ownership interest in its joint venture entity, Nippon Leakless Talbros, constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The stake sale was successfully completed on January 25, 2024. TACL plans to allocate the proceeds from the sale towards expansion initiatives aiming to further strengthen and grow its business.

Marelli Talbros Chassis Systems has consistently demonstrated strong performance, highlighting its pivotal role in our diverse business portfolio. For 2023-24, the division recorded a total income of ₹ 260 Crores, showing a solid year-on-year growth compared to ₹ 210 Crores in the previous year. This joint venture continues to enhance our capabilities in the chassis systems sector, delivering advanced

solutions that address the evolving needs of the automotive industry. Moving forward, we are committed to further advancing the operational efficiencies and market reach of Marelli Talbros Chassis Systems, ensuring continued growth and value creation for our stakeholders.

Talbros Marugo Rubber Private Limited (TMR) has exhibited impressive growth and resilience throughout 2023-24, solidifying its role as a vital component of our business ecosystem. The division reported a total income of ₹ 123 Crores, a significant increase from ₹ 85 Crores in the previous year, reflecting a steady upward trajectory. As we continue to drive innovation and technological advancements, TMR is strategically positioned to seize emerging opportunities within the automotive sector, contributing to our overarching goal of pioneering growth and enhancing value.

## Consolidated Financial Performance

Our financial performance in 2023-24 has been an exceptionally strong, underscoring Talbros Automotive's continued growth and financial robustness. At the group level, including all joint ventures and fully consolidated entities, we achieved a notable revenue of ₹ 1,258 Crores, reflecting a solid 21% year-on-year increase. This growth highlights our successful strategies and the expanding reach of our operations.

Our EBITDA for 2023-24 soared to ₹ 127 Crores, representing a remarkable 36% improvement from ₹ 94 Crores the previous year. This significant rise underscores our operational efficiency and the effectiveness of our cost management strategies.

In terms of profitability, our PAT before exceptional items reached ₹ 83 Crores, marking a striking 49% increase from ₹ 56 Crores in 2022-23. This exceptional growth in net profit demonstrates our ability to enhance shareholder value and sustain robust financial health.

Moreover, our Return on Capital Employed (ROCE) for 2023-24 rose to 20.4%, compared to 16.6% in 2022-23, highlighting improved efficiency in utilising our capital. Similarly, our Return on Equity (ROE) increased to 20.2% from 16.5%, reflecting our strong financial performance and effective management.

Maintaining a prudent financial structure, our debt-to-equity ratio for 2023-24 stands at a conservative 0.17x, reinforcing our commitment to a balanced and sustainable growth trajectory. Overall, 2023-24 has been a testament to Talbros Automotive's strategic execution and operational excellence, positioning us well for continued success.

## Outlook

Looking ahead, we remain optimistic about the future of the automotive industry. The ongoing shift towards electric vehicles, coupled with the increasing demand for sustainable automotive solutions, presents numerous opportunities for growth. Talbros is well-positioned to capitalise on these trends, with a strong order book, strategic partnerships, and a diversified product portfolio. We aim to increase our export share from 25% to 35% over the next three years, focusing on expanding our presence in international markets. Our commitment to innovation, quality, and customer satisfaction will continue to drive our success in the coming years.

In conclusion, I would like to extend my gratitude to our stakeholders, including our customers, partners, employees, and shareholders, for their continued support. Together, we will continue to build on our successes and pursue new opportunities to drive sustainable growth and value creation.

Sincerely,

**Naresh Talwar**

Chairman  
Talbros Automotive Components Limited

# Gasket and Heat Shield Business

Since its inception in 1956, Talbros has been delivering products of the highest quality to clients across the globe. Known for our attention to detail, we consistently strive to add value to our products while maintaining excellent relationships with our clients.

In collaboration with our joint venture entities, Talbros offers a comprehensive product portfolio that includes sealing solutions, NVH solutions such as heat shields, plastic components, forgings, machined components, chassis, suspension and body-in-white (BIW) components, anti-vibration components, and hoses.

Serving a wide range of sectors within the automotive industry, we cater to passenger and commercial vehicles, agricultural equipment, two- and three-wheelers, off-road vehicles, and industrial segments, among others. Talbros' extensive involvement across diverse segments highlights our versatility and adaptability in both automotive and non-automotive sectors.

Since the establishment of the Talbros Group, we have collaborated with various renowned global players and operated world-class manufacturing facilities. These partnerships have enabled us to consistently deliver superior products to our customers over the years.

At Talbros, we are committed to leading the industry by providing premium quality components for automobiles across multiple global manufacturing sectors. We prioritise affordability without compromising on quality, with a strong focus on customer satisfaction and creating a rewarding work environment that constantly supports and empowers our employees.

We aim to sustain our leadership through the ongoing development of market-driven products for both automotive and non-automotive customers. Our dedication to excellence includes the timely delivery of high-quality products, supported by trained professionals and a customer-focused work culture.

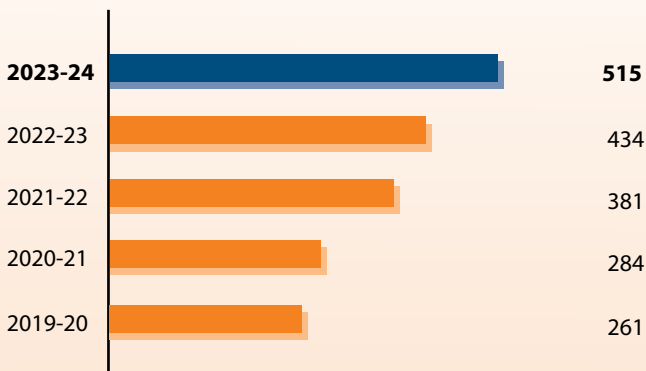




### Product Portfolio

- Multi-layer Steel Gaskets
- Gaskets with Electrical Control
- Post Coated/Selective Area Coated Gaskets
- Exhaust/Hot Application Gaskets
- Rubber/Edge Molded Gaskets
- Fiber Gaskets
- Heat Shields – NVH and Thermal Management
- Plastic Moulded Components

### Total Income from Gasket and Heat Shield Business (₹ in Crores)



### Key Highlights of the Year

- Market leader in Sealing & Thermal Management Solutions
- Secured EV business with European prominent PV manufacturer
- Developed Sealings & Heat Shields for Euro VII and Trem V emission norms

₹ **515** Crores

Total Income

₹ **82** Crores

EBITDA

**50%**

India Market share

## Forging Business

The forging industry plays a crucial role in the automotive and off-highway sectors. Forging is traditionally considered the backbone of the manufacturing industry, providing essential components to sectors that drive the nation's economic growth, such as automotive, industrial machinery, power, construction and mining equipment, railways, and general engineering. The Indian forging industry is globally recognised for its technical capabilities. With an installed capacity of around 3.85 Mn metric tons, the Indian forging industry can forge a variety of raw materials, including carbon steel, alloy steel, stainless steel, superalloy, titanium, and more, based on the needs of the user industry.

Our forging plant at Bawal is equipped with state-of-the-art tooling design, manufacturing, forging, heat treatment, and machining capabilities. With a forging capacity of 21,000 metric tons, we can produce parts ranging from 150 grams to 30 kilograms, with increased manufacturing depth. This integrated approach gives us a competitive edge, allowing us to attract new customers and serve them better with agility, as we have everything in-house under one roof. Over the years, Talbros

has grown into a well-known manufacturer and exporter of high-precision machined components with an in-house forging facility. We offer forged and machined components for a wide range of customers in the automotive, agriculture, and off-highway vehicle industries.

We are increasing our focus on exports and expanding into new geographies. Since 2018, we have increased our export share from 47% to 55%. The supply chain gaps created during COVID-19 provided an opportunity to expand our export business. With current and upcoming orders, our outlook is to further increase export sales. In response to global demand and coupled with infrastructure growth, we are strategically focusing more on the CV and off-highway business. We are also working on enhancing our capabilities to produce heavier parts.

With strong confirmed orders and a robust pipeline of business, we are taking steps to grow our forging division. To this end, we have added ring rolling and material gathering forging processes, for which we already have orders from customers.





### Product Portfolio

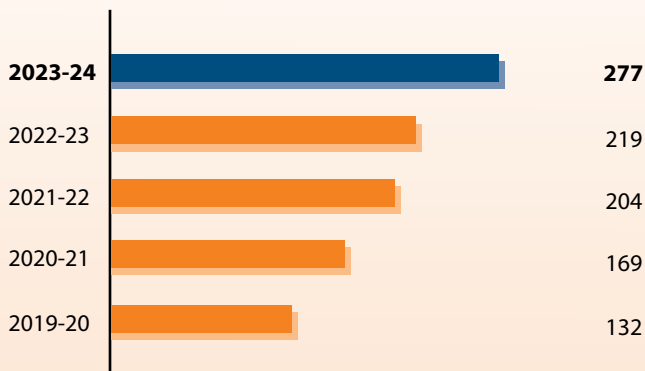
- Towing Solutions
- Companion Flanges
- Hydraulic Dump End, End Cap & Rod Eye
- Tube & Flange Yokes
- Intermediate Shaft & Differential Housing
- Blank Ring Gears
- King Pin & Linear Cylinders

### Key Highlights of the Year

- A new business of ₹ 40.28 Crores was added in 2023-24, with a strong pipeline currently under final negotiation
- Successfully initiated SOP of Off-Highway components
- Ramped up machining capacity by addition of 26 machining centres and another 12 machining centres are in pipeline
- Added two new customers in Europe
- Expanded foot print to North America
- Expanded foot print to largest Domestic OEM

### Total Income from Forging Business

(₹ in Crores)



### New Machine Shed for Expanding Capacity

- New Ring Rolling Machine
- New Pneumatic Hammer

₹ **277** Crores

Total Income

₹ **47** Crores

EBITDA

# Nippon Leakless Talbro Private Limited (LTL)

Nippon Leakless Talbro Private Limited was incorporated in 2005 as a joint venture between Talbro Automotive Components Limited (TACL), India and Nippon Leakless Corporation (NLK), Japan with TACL holding 40% stake in it. NLK is a well-known supplier of gaskets and packaging to top OEMs and two wheeler manufacturers. LTL supplies exclusively to OEMs such as Honda and Hero MotoCorp Ltd. catering to their specific requirements as a dedicated supplier.

## Changes in Ownership Interest

### Divestment of TACL's entire 40% stake in LTL

On December 22, 2023, the Board of Directors of Talbro Automotive Components Limited approved the divestment of its entire 40% stake in LTL constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each by selling the same to Nippon Leakless Corporation and Leakless Gaskets India Private Limited for ₹ 81.80 Crores. The stake sale was successfully completed on January 25, 2024.

TACL plans to allocate the proceeds from the sale towards expansion initiatives aiming to further strengthen and grow its business.



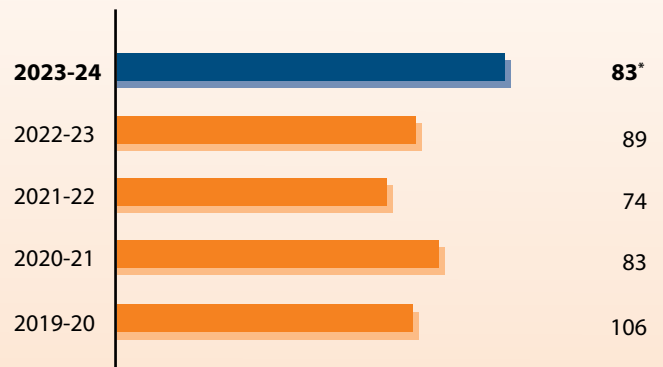


### Certifications

- IATF 16949
- ISO 14001
- ISO 45001



### Total Income from Nippon Leakless Talbros (₹ in Crores)



₹ 83 Crores\*

Total Income

₹ 33 Crores\*

Talbros Share in 2023-24

₹ 14 Crores\*

PAT in 2023-24

\*Considered upto January 25, 2024.

# Marelli TalbroS Chassis Systems Private Limited (MTCS)

TalbroS Automotive Components Limited strategically partnered with Marelli Suspension Systems S.P.A., Italy, to establish the joint venture Marelli TalbroS Chassis Systems Private Limited (MTCS) in 2012. This collaboration has enabled MTCS to develop and manufacture a wide range of chassis components for automotive applications, including control arms, suspension links, front cross members, rear twist-beam axles, cradles, wheel groups, and semi-corner module assemblies. The JV has emerged as the preferred source for chassis and body-in-white components for leading OEMs in India and abroad. The Company has expanded its product portfolio and secured several orders for EV components to be supplied to European vehicles. Additionally, JV is developing Chassis components for another large European OEM for supplying to its EMEA & NAFTA markets. To meet the demands of these new business opportunities, MTCS is expanding its capacity at its Pune plant.

The JV is committed to achieving its ESG objectives, aiming to become carbon neutral (Scope 1 & 2) by 2030. To support this goal, it has increased its solar power capacity to 455 KWP and has been undertaking afforestation drives to reduce its carbon footprint. MTCS is taking a focused approach to achieving its ESG goals by incorporating best practices from the automotive industry.

MTCS achieved an all-time high revenue of ₹260.21 Crores in FY 2023-24, recording a 24% growth over the previous year, and improved its bottom line by 65% through enhanced operational efficiencies and a strong focus on fixed cost control. With a focus on exports and expansion in the EV segment, MTCS aims to achieve substantial revenue growth, a more diversified customer base, supply to new markets, and improve its EBITDA margin profile by 2026-27.

MTCS plans a capex investment of approximately ₹ 65 Crores in 2024-25 funded by a combination of internal accruals and debt.







## Product Portfolio

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

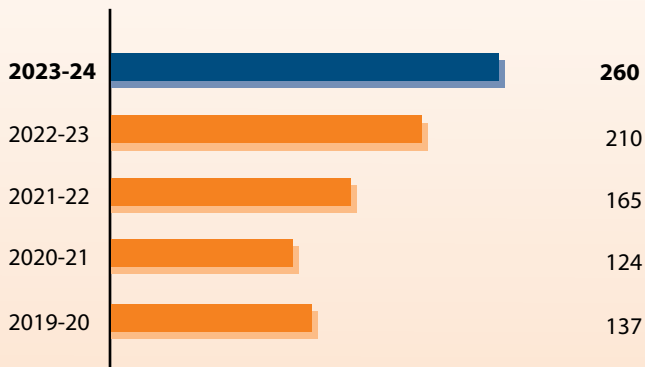
## Certifications

- IATF 16949 – QMS
- ISO 9001 – QMS
- ISO 14001 – EMS
- ISO 50001 – EnMS
- ISO 45001 – OHSAS
- ISO 27001 – ISMS

## Key Highlights of the Year

- Secured new orders from existing customers for the development for next-generation ICE and EV vehicles
- Successfully initiated production (SOP) of control arms for TATA MOTORS Next Generation NEXON and PUNCH EV
- Undergoing expansion to increase capacity of the Pune plant for industrialisation of order for export markets
- Broadened the product portfolio by collaborating with some of the largest domestic OEMs

## Total Income from Marelli Talbros Chassis Systems (₹ in Crores)



## Awards & Certification

- ACMA Excellence Award Achieved in 6 categories
  - Gold Award - Digitalisation/Manufacturing/Safety/Sustainability
  - Bronze Award – New Product Development
  - Certificate of Appreciation in Exports
- Overall Performance Award from Maruti Suzuki for 2022-23
- Gold Certificate from Ministry of MSME, Govt. of India for Zero Waste and Zero Defect under its flagship ZED program

₹ **260** Crores

Total Income

₹ **130** Crores

Talbros Share in 2023-24

₹ **19** Crores

PAT in 2023-24

# TalbroS Marugo Rubber Private Limited (TMR)

TalbroS Marugo began in 2013, specialising in the manufacturing of anti-vibration rubber molded products for passenger cars. The goal of this joint venture was to achieve market differentiation by developing innovative, high-quality anti-vibration products. The primary objective of the JV was to localise mounting mufflers for Maruti Suzuki India Limited, which were previously supplied by Marugo Rubber Industries to Maruti. Within just one year, we successfully localised 100% of all KD parts and earned recognition for superior performance in focused model cost reduction in 2014-15. Subsequently, we received the Best Supplier Award for overall performance from Maruti Suzuki India Limited for two consecutive years in 2017-18 and 2018-19. In 2023-24, we achieved the Platinum Award from Ashok Leyland and the Zero-Defect Award from SMG, as well as the Part Design & Development and Yield Improvement awards from MSIL.

Currently, our market share for mounting mufflers and hangers with Maruti Suzuki exceeds 90%. In 2015, we diversified our product line by setting up an additional plant for extruded hoses, expanding our service to Maruti Suzuki. The Company has complete in-house value chain capabilities, including

mixing, compound mixing, metal preparation, molding, and extrusion. Backed by our strength in operational excellence, TMR is aggressively securing various orders from domestic OEMs, leading to an improved presence in the automotive market.

Our revenue growth has been steady, with a significant jump in 2023-24, reaching close to ₹ 123 Crores per annum. A major contributor to this growth has been the development of E20-compatible fuel hoses in FKM and ECO polymers, along with diversification into silicone hangers. We expect our revenue to exceed ₹ 260 Crores by 2027-28. To accommodate this growth, our plant was relocated from Manesar to Bawal, with a covered area of nearly 80,000 square feet in 2023-24.

As an Indo-Japanese joint venture, we are now planning to expand our customer base beyond Japanese OEMs to include Tata Motors, Mahindra, Honda India Power Products, and other OEMs. We also plan to export to an European car manufacturer, leveraging our strong relationship with the TalbroS JV company, which will help us expand our reach and drive growth.





## Product Portfolio

- Mounting Muffler Hanger
- Suspension Bushes
- Body Mounts, Cab Mounts
- Leading & Trailing Arm Bushes
- Air, Fuel and Water Hoses (Extrusion Hoses)
- Air Cleaner Hoses (Molded Hoses)

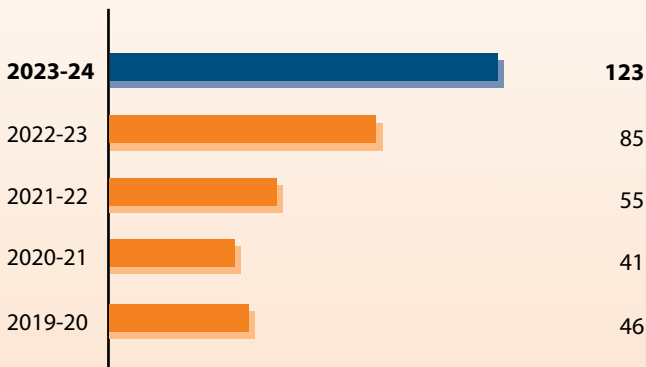
## Certifications

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

## Key Highlights of the Year

- New plant set-up in Bawal for the capacity enhancement
- Added new orders from existing customers from India's biggest OEM Maruti Suzuki
- Successfully initiated SOP E20 of Fuel Hoses for MSIL across All Models
- Successfully initiated SOP of bushing and body mounts of YWD model
- Diversification towards Hanger (Silicon)
- Expanded portfolio with some largest Domestic OEMs

## Total Income from Talbros Marugo Rubber (₹ in Crores)



## Awards & Certification

- Received the **Platinum Award** for certificate of appreciation for consistent **Quality Performance** from **Ashok Leyland**
- Received certificate of appreciation from **Suzuki Motors Gujarat Private Limited** in the field of **Quality Performance**
- Received certificate of appreciation from **Maruti Suzuki** in the area of **Yield Improvement**
- Received certificate of appreciation from **Maruti Suzuki** in the area of **Part Design & Development**

₹ **123 Crores**

Total Income

₹ **61 Crores**

Talbros Share in 2023-24

₹ **2 Crores**

PAT in 2023-24

**TALBROS AUTOMOTIVE COMPONENTS LIMITED****CIN: L29199HR1956PLC033107****Registered Office:** 14/1, Delhi-Mathura Road, P.O. Amar Nagar  
Faridabad-121003, HaryanaTel No.: 0129-2251482, Website: [www.talbro's.com](http://www.talbro's.com), Email: [seema\\_narang@talbro's.com](mailto:seema_narang@talbro's.com)

## NOTICE

**NOTICE** is hereby given that the **67<sup>th</sup> Annual General Meeting** of the members of Talbro's Automotive Components Limited will be held on **Wednesday the 25<sup>th</sup> day of September, 2024** at **12.00 Noon** through **video conferencing/ other audio visual means (VC/OAVM)** to transact the following business:

**ORDINARY BUSINESS:****1. Adoption of Audited Financial Statements (Standalone and Consolidated).**

To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024 including Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon and in this regard pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2024 including the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon be and are hereby received, considered and adopted.”

**2. Confirmation of Interim Dividend.**

To confirm the payment of Interim Dividend @ 10 % i.e. ₹ 0.20 per fully paid-up equity share of ₹ 2/- each of the Company for the financial year 2023-24 and in this regard pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** the Interim Dividend @ 10 % i.e. ₹ 0.20 per fully paid-up equity share of ₹ 2/- each of the Company for the financial year 2023-24, as approved by the Board of Directors at their meeting held on November 8, 2023 and already paid to the shareholders, be and is hereby noted and confirmed.”

**3. Declaration of Final Dividend.**

To declare Final Dividend @ 25% i.e. ₹ 0.50 per fully paid-up equity share of ₹ 2/- each of the Company for the financial year 2023-24, in addition to the Interim

Dividend already paid and in this regard pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** Final Dividend @ 25% i.e. ₹ 0.50 per fully paid-up equity share of ₹ 2/- each, as recommended by the Board of Directors for the financial year 2023-24, be and is hereby declared and the same be paid out of the profits of the Company to the members whose names appear in the Register of member/Beneficial owners as on September 19, 2024 .”

**4. Re-appointment of Mr. Vidur Talwar as Director.**

To re-appoint Mr. Vidur Talwar (DIN: 00114643) as Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, if any (including any statutory modifications or re-enactments thereof) and the Articles of Association of the Company, Mr. Vidur Talwar (DIN: 00114643) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.”

**SPECIAL BUSINESS:****5. Continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155) as Chairman and Non-Executive Non-Independent Director.**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) and 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company be and is

## Notice (Contd.)

hereby accorded for continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155), having attained the age of more than seventy-five years, as Chairman and Non-Executive Non-Independent Director of the Company, not liable to retire by rotation, for a further period of five years with effect from April 01, 2024 to March 31, 2029.”

### 6. Re-appointment and continuation of Mr. Ajay Kumar Vij (DIN: 00164984) as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2024.

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Ajay Kumar Vij (DIN: 00164984), who was appointed as an Independent Director at the 62<sup>nd</sup> AGM of the Company for a term of five years and who holds office up to September 24, 2024 and who is eligible for re-appointment and who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder, who has submitted a declaration to that effect and whose appointment has been recommended by the Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from September 25, 2024 up to September 24, 2029.

**RESOLVED FURTHER THAT** Mr. Ajay Kumar Vij shall continue to hold office of an Independent Director as soon as he is reappointed and such reappointment as Director shall not be deemed to constitute a break in his appointment as an Independent Director.”

### 7. Appointment of Mr. Rajat Verma (DIN: 02548070) as an Independent Director for a period of five years, not liable to retire by rotation.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajat Verma (DIN: 02548070), who was appointed as an Additional Director of the Company with effect from August 07, 2024 under Section 161(1) of the Companies Act, 2013 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who meets the criteria for independence, and whose term of office as an Additional Director expires at this Annual General Meeting, and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received from a shareholder in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for first term of five consecutive years with effect from August 07, 2024 to August 06, 2029.

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

### 8. Appointment of Mr. Rakesh Vohra (DIN: 00836463) as an Independent Director for a period of five years, not liable to retire by rotation.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rakesh Vohra (DIN: 00836463), who was appointed as an Additional Director of the Company with effect from August 07, 2024 under Section 161(1) of the Companies Act, 2013 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who

## Notice (Contd.)

meets the criteria for independence, and whose term of office as an Additional Director expires at this Annual General Meeting, and in respect of whom a notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received from a shareholder in the prescribed manner, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for first term of five years with effect from August 07, 2024 to August 06, 2029.

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

### 9. **Renewal of Agreement with QH Talbro's Private Limited and approval of transactions for Sale/Purchase of Company's products.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to renew the existing Agreement with M/s. QH Talbro's Private Limited, a related party, for a further period of three years with effect from April 01, 2025 to March 31, 2028 for carrying out and/or continuing with contracts/arrangements/transactions for Sale/Purchase of Company's products including but not limited to Gaskets, Forgings and other Auto Parts upto maximum amount of ₹ 95 Crores in one financial year, exclusive of applicable taxes, on the terms and conditions as mentioned in the Agreement.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to decide the terms and conditions of the Agreement and to do all such acts, deeds or things as may be necessary to give effect to the above resolution and to modify any terms of the Agreement without being required to seek any further consent or approval of the members of Company, or otherwise to the end and intent that they shall be

deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the applicable Regulations of SEBI Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby also accorded to the Board of Directors of the Company to enter into and/or continuing with contracts/arrangements/transactions with M/s. QH Talbro's Private Limited for Sale/Purchase of Company's products including but not limited to Gaskets, Forgings and other Auto Parts upto maximum amount of ₹ 95 Crores, exclusive of applicable taxes, during FY 2024-25.”

### 10. **Remuneration of Cost Auditors.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the remuneration payable to M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 amounting to ₹ 1.75 Lacs exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

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

Place: Gurugram  
Date: August 07, 2024

**Sd/-  
Seema Narang  
Company Secretary**

## Notice (Contd.)

### NOTES:

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

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

2. **The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 05, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated September 25, 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till September 30, 2024. In accordance with MCA Circulars, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and provisions of the Companies Act, 2013 the Annual General Meeting (AGM) will be conducted through video conferencing/other audio visual means (VC/OAVM). Members can attend and participate in the 67<sup>th</sup> AGM through VC/OAVM. The deemed venue for the AGM will be the Registered Office of the Company and the physical attendance of the members at a common venue has been dispensed with.**

**ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO NOTICE OF THE 67<sup>TH</sup> AGM.**

3. Institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc.), are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting pursuant to section 113 of the Companies Act, 2013 on [evoting@nsdl.com](mailto:evoting@nsdl.com) and [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com).

4. a) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the 'Downloads Section'. You can also contact NSDL at 022 - 4886 7000 or Ms. Pallavi Mhatre, Senior Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.com](mailto:evoting@nsdl.com) who will address the grievances related to electronic voting.
- b) The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting and after conclusion of the meeting, by following the procedure mentioned in these notes. The facility of participation at the AGM through VC/OAVM will be made available for maximum of 1000 members on first come first served basis. However, this will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the applicable circulars, the Company is providing facility of remote e-voting and e-voting at AGM to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well e-voting during the AGM will be provided by NSDL.

## Notice (Contd.)

7. In accordance with the aforesaid MCA Circulars, the Notice of the AGM along with the 67<sup>th</sup> Annual Report of the Company is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Notice of the AGM along with the 67<sup>th</sup> Annual Report to only those Members who request the same at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) mentioning their Folio No. / DP ID and Client ID.
8. **Members may also note that the Notice of the 67<sup>th</sup> AGM and the Annual Report for financial year 2023-24. are available on the website of the Company [www.talbros.com](http://www.talbros.com), websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**
9. **Members desiring any information relating to the annual accounts or any document pertaining to the explanatory statement are requested to send an email to the Company at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) at least ten (10) days before the AGM.**
10. **The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Wednesday, September 25, 2024 (both days inclusive) for the purpose of 67<sup>th</sup> Annual General Meeting and for determining entitlement of Members to final dividend for the financial year ended, March 31, 2024 as approved at the 67<sup>th</sup> AGM.**
11. Subject to the provisions of Section 123 of the Act, Final Dividend as recommended by the Board of Directors, if declared at the AGM will be paid to the Members on the basis of the details of beneficial ownership furnished by the Depositories, as at the close of Wednesday, September 18, 2024 and in respect of shares held in physical form to those members whose names will appear in the Register of Members of the Company, after giving effect to valid transmission and transposition requests lodged with the Company, as on close of Wednesday, September 18, 2024.
12. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.
13. Members may please note that as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 as amended from time to time, the latest being SEBI/HO/MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, Members, who hold shares in physical form and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode with effect from April 01, 2024. Accordingly, payment of final dividend, subject to approval by the Members in the AGM, shall be paid to physical holders only after the above details are updated in their folios. Members may refer to FAQs issued by SEBI in this regard available on their website at [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf) (FAQ Nos. 38 & 39). Members are requested to update their KYC details by submitting the Investor Service Request (ISR) Forms, viz. ISR-1, ISR-2, ISR-3/SH-13, as applicable, duly complete and signed by the registered holder(s) so as to reach our RTA, on or before September 14, 2024. So that the folios can be KYC updated before the "Book Closure date from September 19, 2024 to September 25, 2024. ISR Forms can be accessed from our website at <https://www.talbros.com/investor-services>.
14. In terms of the provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 01, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.  
**For resident members:** Tax will be deducted at source ("TDS") under Section 194 of the Act (read with Press Release dated May 13, 2020) @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed ₹ 5,000/-.



## Notice (Contd.)

Tax at source will **NOT** be deducted where a member provides Form 15G (applicable to Individual in case of dividend) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can also be downloaded from the website of the RTA viz. [Form15H.pdf \(kfintech.com\)](#)

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

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

- **Insurance companies:** A declaration that they are beneficial owners of shares held.
- **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
- **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
- **New Pension System Trust:** A declaration that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
- **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.
- **For non-resident members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident member has the option to be governed

by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:

- i) Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;
- ii) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;
- iii) Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
- iv) Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;
- v) Self-declaration of beneficial ownership by the non-resident member.

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

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

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

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

## Notice (Contd.)

of the application of the lower DTAA rate, if any.

**To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than Monday, September 09, 2024.**

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

- NIL for resident members receiving dividend up to ₹ 5,000/- or in case Form 15G / Form15H (as applicable) along with self-attested copy of the PAN is submitted.
- 10% for resident members in case PAN is provided / available.
- 20% for resident members, if PAN is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.

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

**No communication on the tax determination / deduction shall be entertained after September 09, 2024.**

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

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

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

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

Shares held in physical form: Members are requested to send the following details/documents to the Company's Registrars and Transfer Agent ('RTA'), M/s KFIN Technologies Limited by **Wednesday, September 18, 2024**:

- a) Form ISR-1 along with supporting documents. The said form is available on website of the RTA at [http://karisma.kfintech.com/downloads/2Form\\_ISR-1.pdf](http://karisma.kfintech.com/downloads/2Form_ISR-1.pdf)
- b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:
  - i. Cancelled cheque in original, or
  - ii. Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch
  - iii. Self-attested copy of the PAN Card of all the holders; and Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

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

**Nomination facility:** In terms of Section 72 of the Companies Act, 2013 shareholders are entitled to make nomination in respect

## Notice (Contd.)

of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form ISR-3 or Form SH-14 for cancellation/ variation as the case may be to the RTA.

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

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate

securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the website of the Company's RTA at <http://karisma.kfintech.com/downloads/Form-ISR-4.pdf> and on Company's website at [https://www.talbros.com/\\_files/ugd/91a204\\_f02404416e534675925ff93d08a9061b.pdf](https://www.talbros.com/_files/ugd/91a204_f02404416e534675925ff93d08a9061b.pdf)

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

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

16. Register of contracts or arrangements in which directors are interested will be available at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.
17. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.
18. Members may please note that the unclaimed dividend in respect of the 2016-17 must be claimed by the concerned members on or before September 30, 2024, failing which it will be transferred to the Investor Education & Protection Fund authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). Members are requested to write to company/KFIN, for claiming unclaimed dividend.
19. Attention of the members is drawn to the provisions of Section 124(6) of the Act which requires a company to

transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more in the name of IEPF Authority. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has intimated the shareholders whose shares are liable to be transferred in the name of IEPF Authority. Members are advised to visit the website of the Company [www.talbros.com](http://www.talbros.com) to ascertain such details.

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

- a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the

## Notice (Contd.)

Company can transact all the items of the businesses with the facility of voting through electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

- b) The members who have casted their vote by remote e-voting prior to the meeting may also participate in the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- c) The “cut-off” date for determining the eligibility for voting through remote electronic voting system is fixed as Thursday, September 19, 2024. The voting rights of the shareholders shall be in proportion to their shares on the total paid-up equity share capital as on the cut-off date.
- d) Ms. Kiran Sharma, a practicing Company Secretary (Membership no. 4942), has been appointed as the scrutinizer to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
- e) The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorised by him. The result along with the Scrutinizer's Report will be published on the website of the Company at [www.talbro's.com](http://www.talbro's.com) and on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com). The results shall be simultaneously communicated to BSE Limited and National Stock

Exchange of India Limited, where the securities of the Company are listed.

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

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

Commencement of e-voting	Sunday, September 22, 2024 at 9:00 A.M.(IST)
End of e-voting	Tuesday, September 24, 2024 at 5:00 P.M. (IST)

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

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

#### **Step 1: Access to NSDL e-Voting system**





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

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

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

## Notice (Contd.)

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

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <span data-bbox="600 1353 724 1394">App Store</span> </div> <div style="text-align: center;">  <span data-bbox="807 1353 956 1394">Google Play</span> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 20px; margin-top: 10px;">   </div>

## Notice (Contd.)

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <ol style="list-style-type: none"> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

### Important notes:

- Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

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

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

## Notice (Contd.)

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the

.pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## Notice (Contd.)

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

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

#### **Instructions for those shareholders whose e-mail ids are not registered with the depositories for procuring user id**

#### **and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **The instructions for Members for E-Voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



## Notice (Contd.)

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are requested to participate on first-come-first-served basis, as participation at the meeting through video conferencing will be limited to maximum of 1000 members. The meeting can be joined 30 minutes before the scheduled time of AGM and will be closed on the expiry of 30 minutes from the scheduled time of the AGM. However, there will be no such restrictions for participation at the meeting by large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- iii. The procedure for e-Voting on the day of the AGM is same as the instructions for remote e-voting mentioned below.
- iv. Members are encouraged to join the Meeting through Laptops for better experience. Further,

members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com) by Monday, September 16, 2024 (5.00 p.m. IST).

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and speakers depending upon the availability of time at the AGM.

- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under the ‘Downloads Section’. You can also contact NSDL at 022 - 4886 7000 or Ms. Pallavi Mhatre, Senior Manager, NSDL, at designated e-mail IDs: [evoting@nsdl.com](mailto:evoting@nsdl.com) who will address the grievances related to electronic voting.

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

**Sd/-**

**Seema Narang  
Company Secretary**

Place: Gurugram  
Date: August 07, 2024

## Notice (Contd.)

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

**The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 5 to 10 of the accompanying Notice dated August 07, 2024.**

#### **Item No. 5**

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("SEBI Listing Regulations"), with effect from April 01, 2019 no listed Company shall appoint or continue the appointment of a Non-Executive Director, who has attained the age of 75 years unless a Special Resolution is passed to that effect.

Members of the Company had approved the continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155) with effect from April 01, 2019, as Chairman and Non-Executive Director, having attained the age of more the seventy-five years by way of a Special Resolution passed through Postal Ballot on March 30, 2019.

In terms of Regulation 17(1D) of SEBI Listing Regulations with effect from April 01, 2024, the continuation of a Director serving on the Board of Directors of a listed Company shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be.

In order to comply with the requirement of Regulation 17 of SEBI Listing Regulations approval of members of the Company is sought by way of a Special Resolution for continuation of Directorship of Mr. Naresh Talwar as Chairman and Non-Executive Non-Independent Director of the Company, not liable to retire by rotation, for a further period of five years with effect from April 01, 2024.

Mr. Naresh Talwar is one of the Promoters of the Company and has been associated with the Company since 1976. In his career span, he has worked with several companies of the Talwar Group and has extensive knowledge, profound acumen, specialised expertise, rich and varied experience in the automotive component industry. His involvement in the operations of the Company over a long period of time and his pioneering role in guiding the Company for its

diversification and growth and has immensely benefitted the Company to emerge as a leader in Gasket business. Under his Chairmanship, the Company has grown and is sustaining its position as leading auto components manufacturer. In view of his continued good health and sound and active state of mind to perform his duties in an able and competent manner and in accordance with the recommendation of the Nomination and Remuneration Committee the Directors are of the opinion that his continuation as Chairman shall be in the best interests of the Company.

The details as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 along with brief profile of Mr. Naresh Talwar are mentioned in Annexure I to this Explanatory Statement.

Mr. Naresh Talwar holds 14,06,320 equity shares in the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Umesh Talwar, being brother of Mr. Naresh Talwar, Mr. Varun Talwar and Mr. Vidur Talwar, being sons of Mr. Naresh Talwar are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5.

The Board recommends the Special Resolution set out at Item no. 5 of the accompanying Notice for the approval by members of the Company.

#### **Item No.6**

Mr. Ajay Kumar Vij was appointed as an Independent Director at the 62<sup>nd</sup> AGM of the Company for a term of five years and holds office up to September 24, 2024.

The Board, based on the satisfactory performance evaluation considers that given his background, rich experience and contributions, the continued association of Mr. Ajay Kumar Vij would help the Company to achieve its objective of maximising shareholder worth and would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director on the Board of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ajay Kumar Vij (DIN: 00164984) as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years with effect from September 25, 2024 up to September 24, 2029.

## Notice (Contd.)

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. Mr. Ajay Kumar Vij is not debarred from holding the office of Director pursuant to any SEBI Order.

The terms and conditions of his appointment shall be available, electronically, for inspection by the members and also at the Registered Office of the Company during normal business hours on any working day till the conclusion of the AGM. Electronic copy of the draft Letter of Appointment of Mr. Ajay Kumar Vij setting out terms and conditions shall be available in the heading - Board of Directors and its Committees under Investors section of the website of the Company at [www.talbro.com](http://www.talbro.com).

Mr. Ajay Kumar Vij will not be entitled to receive remuneration except Sitting Fee as approved by the Board of Directors in addition to reimbursement of expenses incurred for participation in Board and Committee Meetings, if any.

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

The details as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards-2 along with brief profile of Mr. Ajay Kumar Vij are mentioned in Annexure I to this Explanatory Statement.

Mr. Ajay Kumar Vij does not hold any shares in the Company.

Except Mr. Ajay Kumar Vij, being an appointee, none of the Directors and/or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6.

The Board recommends the Special Resolution set out at Item no. 6 of the accompanying Notice for the approval by members of the Company.

### Item No. 7

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Rajat Verma (DIN: 02548070) as an Additional Director (Non-Executive, Independent) of the Company effective from August 07, 2024, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and he holds office up to the date of the 67<sup>th</sup> Annual General Meeting.

The Board, based on the recommendation of Nomination and Remuneration Committee, recommends the appointment of Mr. Rajat Verma as Independent Director, not liable to retire by rotation for a term of five years commencing from August 07, 2024 upto August 06, 2029.

The Company has received the requisite declarations from Mr. Rajat Verma that he meets the criteria of independence. In the opinion of the Board, he fulfills the conditions as specified in the Act and Rules made thereunder and the Listing Regulations for his appointment and is independent of the management. He is person of integrity and possesses appropriate skills, experience, knowledge and qualification which would be beneficial to the interest of the Company. Keeping in view his vast experience and knowledge that he possesses, the Board considers that his association would be of immense benefit to the Company.

Mr. Rajat Verma does not hold any equity shares of the Company.

A notice in writing in the prescribed manner, as required under Section 160 of the Companies Act, 2013 and the rules made thereunder, has been received from a shareholder by the Company proposing the candidature of Mr. Rajat Verma for appointment as an Independent Director.

A copy of the draft letter for appointment of Mr. Rajat Verma as an Independent Director setting out the terms and conditions would be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at [seema\\_narang@talbro.com](mailto:seema_narang@talbro.com)

This explanatory statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Rajat Verma, being an appointee, none of the Directors/KMPs of the Company or their relatives is concerned or interested, whether financially or otherwise in the resolution set out at Item No. 7.

The Board recommends the Special Resolution set out at Item no. 7 of the accompanying Notice for the approval by members of the Company.

### Item No. 8

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Rakesh Vohra (DIN: 00836463) as an Additional Director (Non-Executive, Independent) of the Company effective from

## Notice (Contd.)

August 07, 2024, pursuant to the provisions of Section 161(f) of the Companies Act, 2013 and he holds office up to the date of the 67<sup>th</sup> Annual General Meeting.

The Board, based on the recommendation of Nomination and Remuneration Committee, recommends the appointment of Mr. Rakesh Vohra as Independent Director, not liable to retire by rotation for a term of five years commencing from August 07, 2024 upto August 6, 2029.

The Company has received the requisite declarations from Mr. Rakesh Vohra that he meets the criteria of independence. In the opinion of the Board, he fulfills the conditions as specified in the Act and Rules made thereunder and the Listing Regulations for his appointment and is independent of the management. He is person of integrity and possesses appropriate skills, experience, knowledge and qualification which would be beneficial to the interest of the Company. Keeping in view his vast experience and knowledge that he possesses, the Board considers that his association would be of immense benefit to the Company.

Mr. Rakesh Vohra does not hold any equity shares of the Company.

A notice in writing in the prescribed manner, as required under Section 160 of the Companies Act, 2013 and the rules made thereunder, has been received from a shareholder by the Company proposing the candidature of Mr. Rakesh Vohra for appointment as an Independent Director.

A copy of the draft letter for appointment of Mr. Rakesh Vohra as an Independent Director setting out the terms and conditions would be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com)

This explanatory statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Mr. Rakesh Vohra, being an appointee, none of the Directors/KMPs of the Company or their relatives is concerned or interested, whether financially or otherwise in the resolution set out at Item No. 8.

The Board recommends the Special Resolution set out at Item no. 8 of the accompanying Notice for the approval by members of the Company.

### Item No. 9

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

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

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

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

The Resolution at Item no. 9 of the accompanying Notice is for the renewal of Agreement with QHT for transactions of sale/purchase of Company's products namely Gaskets, Forgings and other auto parts with QHT for a period of three years from April 01, 2025 to March 31, 2028 upto maximum value aggregating to ₹ 95.00 Crores in one financial year, exclusive of applicable taxes and also for seeking shareholders' approval as stipulated under Regulation 23 of SEBI Listing Regulations for the said transactions upto maximum value of ₹ 95.00 crore, during the financial year 2024-25.

Basis the review and approval of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item no. 9 of the accompanying Notice for the approval by members of the Company.

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

## Notice (Contd.)

Sl. No.	Description	Details
a)	Name of the related party	QH Talbros Private Limited (QHT)
b)	Nature of relationship	QHT is an Associate Company of Talbros Automotive Components Limited (TACL). QHT and TACL are related parties.
c)	Nature and material terms of the proposed transaction	Sale/ Purchase of Company's products to/ from QHT including but not limited to Gaskets, Forgings and other auto parts. Pricing will be done as per the business standards of the Company.
d)	Value of the transaction	Maximum upto ₹ 95.00 Crores exclusive of applicable taxes
e)	Tenure of the transaction	Financial Year 2024-25
f)	Percentage value of proposed transactions of Company's annual consolidated turnover considering 2023-24 as the immediately preceding financial year	
g)	Justification as to why the related party transaction is in the interest of the Company	Both QHT and TACL are engaged in business of manufacturing of auto parts. QHT takes products from TACL and after processing /machining/ assembly sells the same to its customers. The Sale/purchase is done in ordinary course of business and at arm's length pricing. The transactions help the Companies to meet their customer demands and generation of revenue and business for both the Companies.
h)	Name of the Director/ KMP who is concerned/ interested	Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. Vidur Talwar, Mr. Varun Talwar and Mr. Anuj Talwar are concerned/ interested being common Directors of both the Companies. No other Directors/Key Managerial Personnel and their relatives are in any way concerned or interested.
i)	Details of valuation or other external party report, if such report has been relied upon	Not Applicable
j)	Any other information that may be relevant	None

**Item no. 10**

The Board, on the recommendation of Audit committee, has approved the re-appointment of M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) as the Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year 2024-25.

M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959 and have given their consent to conduct Cost Audit for the financial year 2024-25

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection payable to the Cost Auditors, as recommended by the Audit Committee

and approved by the Board is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of remuneration payable to the Cost Auditors for the financial year 2024-25.

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

The Board recommends the Ordinary Resolutions set out at Item no. 10 of the accompanying Notice for the approval by members of the Company.

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

Place: Gurugram  
Date: August 07, 2024

**Sd/-  
Seema Narang  
Company Secretary**

## Notice (Contd.)

### ANNEXURE -1 TO NOTICE OF 67<sup>th</sup> AGM

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

<b>Name of the Director</b>	<b>Mr. Naresh Talwar</b>	<b>Mr. Vidur Talwar</b>	<b>Mr. Ajay Kumar Vij</b>	<b>Mr. Rajat Verma</b>	<b>Mr. Rakesh Vohra</b>
Age / Date of Birth	83 years / 10.12.1940	52 years / 30.06.1971	63 years / 28.09.1960	47 years/ 21-06-1977	59 years/ 25.08.1965
Nationality	Indian	Indian	Indian	USA	Indian
Qualifications	Graduate from St. Stephen College, Delhi University	BS in Business Administration and MBA in Finance from Drexel University, Philadelphia, PA	MBA, Bachelor Degree in Science from Punjab University, Chandigarh	Engineering graduate from IIT Kanpur followed by MS in engineering from Standford University, USA and MBA from Harvard Business school.	Commerce Graduate from Delhi University and qualified Chartered Accountant.
Expertise in specific functional areas	Rich and wide experience in the automotive components industry for more than 53 years.	Business Management, Strategic Leadership, Finance and extensive knowledge of Automobile Industry.	An entrepreneur and healthcare industry leader with global exposure of building, operating and acquiring businesses.	He has over 25 years of experience in technology industry.	He has over 35 years of experience as managing partner of M/s Vohra & Sehgal, Chartered Accountants and has vast experience in Management Consultancy, Accounting, Taxation, Audit, Financial Planning, Assurance and Business Advisory.
Brief Profile	Mr. Naresh Talwar, aged 83 years, is a Promoter and Non-Executive Chairman of the Company. He has been associated with the Company since 1976. He was elected as Chairman of the Company on April 01, 2000. He is a graduate from St. Stephen College, Delhi University, having rich experience in the automotive components industry for more than 53 years. He is one of the Promoters of the Company.	BS in Business Administration and MBA in Finance from Drexel University, Philadelphia, PA. 25 years of rich and varied experience in Automotive Components Industry, Strategic leadership, business and finance.	Mr. Ajay Kumar Vij, aged 63 years, has done MBA and Bachelor degree in Science from Punjab University, Chandigarh, India. He is an Independent Director on the Board of the Company. He is a Co-Founder and CEO of Asian Healthcare Fund (AHF). He has wide experience in identifying promising business opportunities, developing growth strategy, structuring global expansion and alliances.	Mr. Rajat Verma is the founder and CEO of Lohum Cleantech honored as "The Most Innovative Company of the year 2022" "by Confederation of Indian Industry in 2022. He holds engineering degree from IIT Kanpur followed by MS in engineering from Standford University, USA and MBA from Harvard Business school. He has spent 25 years in the technology industry and has rich experience in the electronic waste management ecosystem. He has developed and commercialised several solutions across the waste value chain for markets across India, the US, and GCC.	Mr. Rakesh Vohra is a Commerce Graduate from Delhi University and qualified Chartered Accountant with over 35 years of experience as managing partner of M/s Vohra & Sehgal, Chartered Accountants. He has vast experience in Management Consultancy, Accounting, Taxation, Audit, Financial Planning, Assurance and Business Advisory.

## Notice (Contd.)

Name of the Director	Mr. Naresh Talwar	Mr. Vidur Talwar	Mr. Ajay Kumar Vij	Mr. Rajat Verma	Mr. Rakesh Vohra
Date of Appointment	15-07-2001	12.02.2015	02.01.2019	07.08.2024	07.08.2024
Relationship with other Directors inter-se and Key Managerial Personnel	Mr. Naresh Talwar is the Brother of Mr. Umesh Talwar and Father of Mr. Vidur Talwar & Mr. Varun Talwar	Mr. Vidur Talwar is the son of Mr. Narsh Talwar and brother of Mr. Varun Talwar	NA	NA	NA
Shareholding in Talbros Automotive Components Limited	14,06,320	14,06,320	NIL	NIL	NIL
List of Directorships held in other Companies (excluding foreign companies)	1. QH Talbros Private. Limited	1. Talbros International Private Limited 2. Talbros Marugo Rubber Private Limited 3. Marelli Talbros Chassis Systems Private Limited 4. T & T Motors Private Limited 5. QH Talbros Private Limited	1. Althea DRF Lifesciences Limited 2. Diwan Chand Medical Services Private Limited 3. BTX Apparel Indian Private Limited	1. Lohum Nickel Private Limited 2. Lohum Materials Private Limited 3. Vidyuta Materials Private Limited 4. Kudana Rural Services Private Limited 5. Lohum Cleantech Private Limited	1. AKL Investments Private Limited 2. NGP Industries Private Limited 3. Lakhapal Holdings Private Limited 4. Magnum buildwell private limited 5. Punj sons private ltd 6. Lakhapal enterprises private limited
List of Committees of Board of Directors across all companies in which Chairmanship/ Membership is held (only Audit Committee and Stakeholders' Relationship Committee considered)	NIL	NIL	Talbros Automotive Components Limited Nomination & Remuneration Committee	NIL	NIL
Number of Board Meetings attended during the year	4	5	5	NA*	NA*

\*Mr. Rajat Verma and Mr. Rakesh Vohra appointed as an Additional Director on August 7, 2024 therefore, they are not eligible to attend Board meetings held during the year

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 67<sup>th</sup> Annual Report on the business and operations of your Company along with Audited Financial Statements (Standalone and Consolidated) and the Auditors' Report thereon for the financial year ended March 31, 2024.

Financial Highlights:

(₹ in Lacs)

Particulars:	Standalone		Consolidated	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from Operations	77,826.68	64,718.32	77,826.68	64,718.32
Profit before Interest and Depreciation	12,842.65	9,349.61	12,724.85	9,349.61
Less : Interest	1,326.54	1,135.87	1,326.54	1,135.87
Depreciation	2591.09	2,372.34	2591.09	2,372.34
<b>Profit/(Loss) before Exceptional Items, share in profit of joint ventures (net) and tax</b>	<b>8925.02</b>	<b>5,841.40</b>	<b>8,807.22</b>	<b>5,841.40</b>
Exceptional Items	7653.48	-	4,245.54	-
<b>Profit/(Loss) before share in profit of joint ventures (net) and tax</b>	<b>16,578.50</b>	<b>5,841.40</b>	<b>13,052.76</b>	<b>5,841.40</b>
Share in profit/(loss) of joint ventures (net)	-	-	1,617.15	1,187.37
<b>Profit before Tax</b>	<b>16,578.50</b>	<b>5,841.40</b>	<b>14,669.91</b>	<b>7,028.77</b>
Less: Provision for Tax	3,718.89	1,517.48	3,718.89	1,517.48
Provision for Deferred Tax	(31.87)	(53.22)	(31.87)	(53.22)
Less: (Excess)/ Short provision of tax for earlier years written back/ provided	(14.74)	6.81	(14.74)	6.81
<b>Profit after Tax</b>	<b>12,906.22</b>	<b>4,370.33</b>	<b>10,997.63</b>	<b>5,557.70</b>
Other Comprehensive Income				
a) Items that will not be reclassified to profit and loss	8,268.16	1,720.43	8,264.29	1,716.00
b) Income tax relating to items that will not be reclassified to profit and loss	(1,925.36)	(401.38)	(1,925.36)	(401.38)
<b>Total other comprehensive income</b>	<b>6,342.80</b>	<b>1,319.05</b>	<b>6,338.93</b>	<b>1,314.62</b>
<b>Total comprehensive income</b>	<b>19,249.02</b>	<b>5,689.38</b>	<b>17,336.56</b>	<b>6,872.32</b>

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

## BUSINESS REVIEW

Despite ongoing challenges, economic activity thrived with extensive government spending, robust household consumption the stable employment landscape and a significant expansion on the supply side. Looking ahead, global growth is expected at momentum of 3.2% from 2023 extending into both 2024 and 2025.

Global headline inflation, on the other hand, showed a downward trajectory, with forecasts indicating a decrease from 6.8% in 2023 to 5.9% in 2024, followed by a further decline to 4.5% in 2025. This reduction in the inflation rates of fuel and food prices, in turn, lead to a decrease in the overall inflation rates.

Domestic demand conditions in India persisted with strong performance. Moreover, the Indian Government continued with substantial investments in public infrastructure, while simultaneously ramping up the financial sector. These investments played pivotal role in stabilising the economy amidst various external uncertainties.



## Board's Report (Contd.)

The Indian automotive industry performed fairly in financial year 2023-24 due to surge demand in Two wheelers sales. As per SIAM's, the overall Auto segment grew by 9.62%, Passenger vehicle sales grew by 6.86%, Commercial vehicle grew by 2.97% and Two-wheeler sales grew by 10.33%. In Commercial vehicle segment, the HCV sales grew by 3.48%, LCV sales grew by 2.68%. In Two-wheeler segment, Scooter sales grew by 14.10%, Moped sales grew by 11.82% and Motorcycle sales grew by 8.70%.

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

### FINANCIAL REVIEW

In financial year 2023-24, Gasket and Heat Shield Division registered a turnover of ₹ 501.98 Crores up by 17.42% as compared to financial year 2022-23 turnover of ₹ 427.50 Crores and the Forging Division registered a turnover of ₹ 276.28 Crores up by 25.77% as compared to financial year 2022-23 turnover of ₹ 219.68 Crores.

Your Company recorded all time high revenue from operations on standalone basis for the financial year 2023-24 amounting to ₹ 778.27 Crores, 20.25% higher as compared to the last financial year 2022-23 with gross turnover of ₹ 647.18 Crores. Profit after tax (PAT) for the Company for financial year 2023-24 was ₹ 129.06 Crores, 195.33% higher as compared to the PAT of ₹ 43.70 Crores in the previous year 2022-23.

During the year your Company has completed the process of divesting and selling its entire 40% stake in Its Joint Venture Nippon Leakless Talbros Private Limited (LTL) on January 25, 2024, so the financials of LTL have been considered till the said date. Upto the said date, LTL registered a turnover of ₹ 79.23 Crores as compared to financial year 2022-23 turnover of ₹ 86.15 Crores. PAT of LTL was ₹ 14.04 Crores, higher by 19.13 % as compared to PAT of ₹ 11.79 Crores in the previous year 2022-23.

The JV Company Marelli Talbros Chassis Systems Private Limited (MMT) registered a turnover of ₹ 259.91 Crores up by 23.89% as compared to financial year 2022-23 turnover of ₹ 209.79 Crores. PAT of MMT was ₹ 18.89 Crores, higher by 64.55% as compared to ₹ 11.48 Crores in the previous year 2022-23.

Talbros Marugo Rubber Private Limited (TMR), another JV Company has registered a turnover of ₹ 122.47 Crores up by

43.54% as compared to financial year 2022-23 turnover of ₹ 85.32 Crores. PAT of TMR was ₹ 2.21 Crores as compared to ₹ 2.84 Crores in the previous financial year 2022-23.

During the financial year 2023-24, the consolidated total revenues increased by 20.25% from ₹ 647.18 Crores in 2022-23 to ₹ 778.27 Crores.

### NEW INITIATIVES & FUTURE OUTLOOK

Your Company is a diversified auto components player with presence across two wheelers, passenger vehicles, commercial vehicles and farm equipments. Our business is broadly divided into gasket & heat shields, forgings, suspension systems, anti-vibration products, and hoses. We are also having joint ventures with global auto giants for suspension and rubber components.

For Gaskets and Heat Shield, we continue to be a market leader with having a market share of over 50% which is approx. 3 times the nearest competitor. We are also a market leader in – Two-wheeler, Agri & off Loaders, HCV & LCV segment.

Your Company signed up exclusive contract with Sanwa, Japan for lightweight aluminum Heat Shields, a futuristic product technology, which is used for automotive applications, especially in PV segment and value added features like noise reduction, emission control, heat insulation at challenging temperatures and is widely used on new generation engines including hybrid and EVs.

Your Company has received multi years orders over ₹ 1,000 Crores from both, domestic and overseas customers across its business divisions, product segments and JVs. These orders are to be executed over a period of next 5 years covering the Company's product lines – gaskets, heat shields, forgings and chassis. These orders will help us increase our share with existing customers and new customers across geographies thereby gaining market share in coming years.

The revenues in Gaskets and Heat Shield division are expected to grow by 13% CAGR till financial year 2026-27 to ₹ 700 Crores.

For Forging business line, with one stop solution for Hot Forging (750 to 2,500 ton Press), strong presence in overseas market & supplier to top Tier I companies, one stop solution for die design, machine parts and heat treatment (normalising and carburising), the revenues are expected to grow by 23% CAGR till financial year 2026-27 to ₹ 500 Crores.

Along with this, your Company also has increased focus on EV business.

## Board's Report (Contd.)

### TRANSFER TO RESERVE

An amount of ₹ 50 Lacs has been transferred to General Reserves out of the profit earned during the financial year 2023-24.

### DIVIDEND

Your Board of Directors declared Interim Dividend for the financial year 2023-24 @ 10% (₹ 0.20 per equity share) on 6,17,28,150 Equity Shares of ₹ 2/- each, aggregating to ₹ 1,23,45,630/-, at its meeting held on November 8, 2023. The said Interim dividend was paid to the Shareholders on December 5, 2023.

Further, your Directors are pleased to recommend, a final dividend @ 25% (₹ 0.50/- per equity share) for the financial year 2023-24 on 6,17,28,150 Equity Shares of ₹ 2/- each, aggregating to ₹ 3,08,64,075/- (Rupees Three Crores Eight Lacs Sixty Four Thousand and Seventy Five Only), for the approval of members at the ensuing Annual General Meeting.

### MANAGEMENT DISCUSSION & ANALYSIS

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

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

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

The Board of Directors in their meeting held on December 22, 2023 approved to divest and sell its entire 40% stake in Nippon Leakless Talbro's Private Limited (LTL), (joint venture between the Company and Nippon Leakless Corporation, Japan), constituting of 48,00,000 fully paid-up equity shares of ₹ 10/- each at ₹ 81.80 Cr.

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year ended March 31, 2024 till the date of this Report.

### CHANGE IN THE NATURE OF BUSINESS

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

### INDUSTRY OVERVIEW

The Indian automobile industry has long been a reliable indicator of the country's economic health, showcasing its growth and technological advancements. India holds a prominent position in the global heavy vehicles market, boasting the titles of the largest tractor producer, the second-largest bus manufacturer, and the third-largest heavy truck producer. Data from the Society of Indian Automobile Manufacturers (SIAM) reveals that total unit sales for the industry soared to 2,38,53,463 in 2023-24, marking a significant increase from the previous year.

One major factor poised to shape its future is the shift towards electric vehicles (EVs). With the Government targeting a 30% EV penetration by 2030, a surge in demand is expected.

In the domestic market, passenger vehicle sales jumped from 38,90,114 to 42,18,746 units in 2023-24. Furthermore, sales of commercial vehicles, spanning medium, light, and heavy variants, rose from 9,62,468 units in 2022-23 to 9,67,878 units in 2023-24.

### SHARE CAPITAL

During the year under review, the Board with members' approval in 67<sup>th</sup> AGM executed the split of the existing Equity Shares of the Company from 1 (One) Equity Share of face value of ₹ 10/- (Rupees Ten only) each fully paid-up, into 5 (Five) Equity Shares having face value of ₹ 2/- (Rupees Two only) each fully paid-up.

The Paid up share capital of the Company as on March 31, 2024 stands at ₹ 12,34,56,300/- divided into 6,17,28,150 equity shares of ₹ 2/- each.

Further, Company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently there is no change in the capital structure since previous year, except as disclosed above.

### CREDIT RATING

Company's credit ratings were revised by CARE Ratings on October 3, 2023. The ratings of the Company are as under:

## Board's Report (Contd.)

Facilities	Amount (₹ Crores)	Rating
Long term Bank Facilities	123.18 (reduced from 125.07)	CARE A+; Stable (Single A; Outlook:Positive)
Short term Bank Facilities	45.00	CARE A1+ (A One)
<b>Total Bank Facilities</b>	168.18 (₹ One Hundred Sixty-Eight Crores and Eighteen Lacs Only)	-
Medium Term Instrument (Fixed Deposit)	-	-
<b>Total Medium Term Instruments</b>	-	-

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

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2015-16 for amount aggregating to ₹ 3,68,555/- had been transferred to the "Investor Education and Protection Fund" established by the Central Government on October 18, 2023.

The Company shall transfer the unclaimed dividend for the financial year 2016-17 to the Investor Education and Protection Fund on or before October 24, 2024 upon completion of 7 years from the date of transfer of said dividend into the Unclaimed Dividend Account in compliance with the provisions of Section 125 of the Companies Act, 2013.

The shareholders who have not encashed their dividend warrants for the financial year 2016-17 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is intimating those members who have so far not claimed the unpaid dividend for the financial year 2016-17.

The Company has transferred 72,905 equity shares of ₹ 2/- each to IEPF in the previous year and the unpaid Dividend on such shares was also transferred to the IEPF. The Company also updated 6,56,470 equity shares after Split to IEPF in respect of shares transferred to IEPF in earlier years before Split.

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

### DIRECTORS

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

The Board of Directors recognises and embraces the importance of a diverse board in its success. Your Company

believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help it retain its competitive advantage.

During the year 2023-24, no changes took place in the composition of Board of Directors.

### CONTINUATION OF DIRECTORSHIP

Members of the Company had approved the continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155) as Chairman and Non-Executive Director, for a period of 5 years with effect from April 01, 2019.

Mr. Naresh Talwar is one of the Promoters of the Company and has been associated with the Company since 1976. His involvement in the operations of the Company over a long period of time and his pioneering role in guiding the Company for its diversification and growth and has immensely benefitted the Company to emerge as a leader in Gasket and Heat Shield business.

Based on the recommendation of Nomination and Remuneration Committee and in compliance with the requirements of applicable provisions of SEBI (LODR), the Board proposes his continuation as Chairman and Non-Executive Director for a further period of 5 years with effect from April 01, 2024, not liable to retire by rotation, for approval of members in the ensuing AGM.

### DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vidur Talwar (DIN: 00114643) is liable to retire by rotation and being eligible, offers himself for re-appointment.

Details of the proposal for Director seeking re-appointment are mentioned in the annexure to the Explanatory Statement of the Notice of 67<sup>th</sup> Annual General Meeting. The Board

## Board's Report (Contd.)

recommends his re-appointment to the members for their approval.

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

Mr. Ajay Kumar Vij was appointed as an Independent Director at the 62<sup>nd</sup> AGM of the Company for a term of five years and holds office up to September 24, 2024. He is aged 63 years. He holds MBA and Bachelor Degree in Science from Punjab University, Chandigarh and is having rich experience and knowledge.

Mr. Ajay Kumar Vij meets the criteria of independence as per provisions of Section 149(6) of the Companies Act, 2013.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Mr. Ajay Kumar Vij (DIN: 00164984) as Independent Director, not liable to retire by rotation, for a second term of five consecutive years w.e.f. September 25, 2024 to September 24, 2029.

As per the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards, the details of Mr. Ajay Kumar Vij seeking re-appointment in the ensuing Annual General Meeting, are provided in the Explanatory Statement annexed to the Notice of the 67<sup>th</sup> AGM.

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

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

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

### KEY MANAGERIAL PERSONNEL

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY

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

The Company has contributed to several organisations namely Armed Forces Flag Day Fund, Paradise Homes, The Earth Saviours Foundation, Savera Association, Roshni Education Society, Sarvam Foundation, NGO Sapna, Servants of the People Society, Institute of Cerebral Palsy, Venu Charitable Society, Sri Jwala Mahakali Mandir, Save The Girl, The Talwar Foundation, Delhi Common Wealth Women's Association, Guild for Service, Dakshin Delhi Kalibari Association for fulfilling its CSR obligations for the financial year 2023-24 and ensuring compliance with provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

The amount of ₹ 88.32 Lacs was spent by the Company during the financial year 2023-24 to fulfill its CSR obligations and ensure compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

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

### AUDITORS AND AUDITORS REPORT

#### Statutory Auditors

M/s. J C Bhalla & Co., (ICAI Firm Registration No. 001111N), Chartered Accountants, were re-appointed as Statutory Auditors of the Company at 65<sup>th</sup> Annual General Meeting of

## Board's Report (Contd.)

the Company held on September 25, 2022 for a second term of 5 years to hold office till the conclusion of 70<sup>th</sup> AGM.

The Report given by M/s. J C Bhalla & Co., Chartered Accountants, Statutory Auditors on the financial statements (standalone as well as consolidated) of the Company for the financial year 2023-24 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### Secretarial Auditors

The Board re-appointed Mrs. Kiran Sharma (Membership No. 4942 & Certificate of Practice No. 3116), a practicing Company Secretary for carrying out Secretarial Audit in terms of the provisions of Section 204 of the Companies Act, 2013 for the financial year 2024-25.

The Secretarial Audit Report for the financial year ended March 31, 2024 as provided by M/s. Kiran Sharma & Co., Practicing Company Secretary is annexed to this Report as **Annexure IV** and forms part of this report.

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

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;

vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

vii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

viii) Applicable labour, environmental and industrial laws, rules, regulations and guidelines.

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

### Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder M/s. Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) were re-appointed as the Cost Auditors of the Company for the financial year ending March 31, 2024 to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2022-23 issued by M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) in respect of the various products as prescribed under the Cost Audit Rules was filed in the prescribed form with the Ministry of Corporate Affairs (MCA) during the year.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of the ensuing Annual General Meeting. Further, on the recommendation of the Audit Committee, the Board of Directors has also re-appointed them as Cost Auditors for financial year 2024-25, to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

### RISK MANAGEMENT

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

Company has identified various strategic, operational and financial risks which may impact company adversely; however,

## Board's Report (Contd.)

management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the Company.

### **INTERNAL FINANCIAL CONTROL**

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

### **DISCLOSURES**

#### **Board Meetings**

During the Financial Year 2023-24, 5 (five) Board Meetings were held on May 16, 2023, August 8, 2023, November 8, 2023, December 22, 2023 and February 7, 2024. Details of the same are available in the section 'Meetings of the Board of Directors' in the Corporate Governance Report.

#### **Audit Committee**

During the Financial Year 2023-24, 4 (four) meetings of Audit Committee were held on May 16, 2023, August 8, 2023, November 8, 2023 and February 7, 2024. Composition and other details of the Audit Committee are available in the Corporate Governance Report.

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

#### **Nomination and Remuneration Committee**

During the Financial Year 2023-24, 1 (One) meeting of the Nomination and Remuneration Committee were held on March 11, 2024. Composition and other details of the Nomination and Remuneration Committee are available in the Corporate Governance Report.

#### **Stakeholders' Relationship Committee**

During the Financial Year 2023-24, 4 (four) meetings of Stakeholders' Relationship Committee were held on May 16, 2023, August 8, 2023, November 8, 2023 and February 7, 2024. Composition and other details of the Stakeholder's Relationship Committee are available in the Corporate Governance Report.

#### **Corporate Social Responsibility Committee**

During the Financial Year 2023-24, 2 (two) meetings of the Corporate Social Responsibility Committee was held on November 7, 2023 and February 6, 2024. Composition and other details of the Corporate Social Responsibility Committee are available in the Corporate Governance Report.

#### **Remuneration Policy & Board Evaluation**

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

Remuneration Policy of the Company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The criteria for performance evaluation of Directors cover the areas relevant to their functioning as member of Board or its Committees thereof. The manner in which the performance evaluation of the Board and its Committees thereof, the Chairman and the Directors individually has been carried out has been explained in the Corporate Governance Report.

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

#### **Related Party Disclosures**

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

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

SEBI had made a major recast of the regulatory processes on related party transactions vide various Circulars mandating "Prior" approval of shareholders for Material Related Party Transactions from AGM to AGM basis. Therefore, the Board has taken relevant approvals from the Audit Committee for

## Board's Report (Contd.)

entering into the Related party transactions and the Board of the Company also recommend Member's approval for the resolution regarding Material Related Party Transactions as set out in the notice of AGM.

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

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

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

### Frauds reported during the year

No material frauds were reported for the period under review.

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

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures as on March 31, 2024 in Form AOC-1 is annexed to this Report as **Annexure V**.

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

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

### Particulars of remuneration of Employees

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

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

### Public Deposits

There are no deposits outstanding as on March 31, 2024, except for some unclaimed deposits.

No fresh deposits were accepted during the year. Deposit amounting to ₹ 4,37,000/- remains unclaimed at the end of financial year 2023-24 and the same is being transferred to Investor Education and Protection Fund (IEPF).

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

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

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

### Particulars of Loans, Guarantees or Investments

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

### Listing of Shares

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

### Registrar and Share Transfer Agent

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

Selenium Building, Tower-B, Plot No 31 & 32,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad, Rangareddi, Telangana India - 500032

### Corporate Governance

A Certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as per the

## Board's Report (Contd.)

requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, is enclosed as **Annexure VIII** and is part of this Report.

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

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

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

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

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

The Annual Report of the Internal Complaints Committee of the Company pursuant to Section 21 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for the year ended December 31, 2023 has duly been filed with the office of District Officer.

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

<b>Location: Faridabad</b>	
<b>Name</b>	<b>Designation</b>
Ms. Seema Narang	Chairperson

Ms. Kiran Sharma	External Member
Mr. Anshu Mehra	Member
Mr. Harish Thakur	Member

#### **Location: Pune**

<b>Name</b>	<b>Designation</b>
Mrs. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Mohan S. Ambatpure	Member
Ms. Reshma Gharge	Member

#### **Location: Bawal**

<b>Name</b>	<b>Designation</b>
Mrs. Seema Narang	Chairperson
Ms. Kiran Sharma	External Member
Mr. Vivek Singh	Member
Ms. Neha Batra	Member

No complaints have been filed/ disposed of/ pending during the financial year ended March 31, 2024.

### **Vigil Mechanism**

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

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

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

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

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

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

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

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



## Board's Report (Contd.)

### Compliance with Secretarial Standards

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

### Annual Return

In compliance with the provisions of Section 92(3) read with Section 134 (3)(s) of the Companies Act, 2013, the annual return of the Company for the financial year 2023-24 in prescribed form is placed on Company's website [www.talbros.com](http://www.talbros.com).

Details of application/ proceeding pending under the Insolvency and Bankruptcy Code, 2016.

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

### Details of difference in valuation

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;
- b) That Directors have selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2024;

- c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That Directors have prepared the annual accounts on a going concern basis;
- e) That Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) That the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

### ACKNOWLEDGEMENT

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

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

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director  
(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director  
(DIN: 00628063)

Place: Gurugram  
Date: May 22, 2024

### ECONOMY REVIEW

#### Global Economy

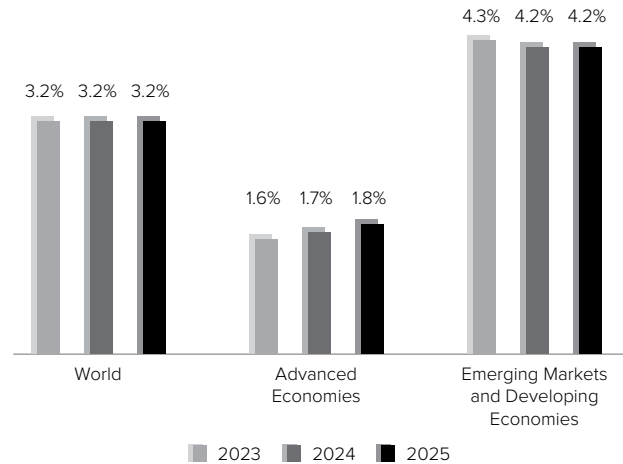
The Global Economy maintained its stability, with the growth momentum of 3.2% from 2023 extending into both 2024 and 2025. This sustained progress is predominantly fuelled by significant traction observed across Advanced Economies worldwide. Projections indicate a gradual increase in the growth rate, rising from 1.6% in 2023 to 1.7% in 2024, and further elevating to 1.8% by 2025 within these economies.

Despite ongoing challenges, economic activity thrived, bolstered by various factors, including greater-than-expected government spending, robust household consumption, and a significant expansion on the supply side. The stable employment landscape persisted, reflecting supportive demand dynamics and an unexpected boost to labour force participation.

Global headline inflation, on the other hand, is currently experiencing a downward trajectory, with forecasts indicating a decrease from 6.8% in 2023 to 5.9% in 2024, followed by a further decline to 4.5% in 2025. This deceleration primarily stems from a widespread reduction in core inflation, with advanced economies experiencing a more significant drop. Moreover, core inflation is projected to decrease by 1.2 percentage points in 2024, compared to a modest contraction in 2023. This trend indicates that there is a reduction in the inflation rates of fuel and food prices, which in turn, leads to a decrease in the overall inflation rates.

The ability of households in major advanced economies, to tap into substantial savings accumulated during the Covid-19 pandemic, is one of the significant contributors to this economic resilience, allowing for sustenance of consumption levels. Moreover, positive trends in employment and incomes, alongside the diminishing impact of earlier energy price shocks and robust immigration flows in advanced economies, further bolstered the global economic landscape.

#### Global Economic Growth (in %)



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

#### Indian Economy

The Indian economy soared to greater heights, demonstrating remarkable resilience with a growth rate of 7.6% in FY 2023-24. A multitude of factors, including an uptick in private consumption and a resurgence in rural spending, coupled with improvements in the balance sheets of banks and corporates drove this achievement. A thorough analysis reveals sustained double-digit growth in gross fixed capital formation, further bolstering the nation's positive economic outlook.

Notwithstanding the challenges in the global market, domestic demand conditions in India persisted with strong performance. Moreover, the Indian Government continued with substantial investments in public infrastructure, while simultaneously ramping up the financial sector. These investments played pivotal role in stabilising the economy amidst various external uncertainties.

**Outlook**

India remains firm in its pursuit of achieving a US\$7 trillion economy by 2030, positioning itself as the world’s third-largest economy within next three years. Additionally, the Government is focussed on transforming the country into a developed nation by 2047, thereby potentially creating a huge surge in growth momentum. Driving this ambitious agenda are robust domestic demand, burgeoning private consumption and investments, and continuous structural reforms. Capital is set to play a crucial role in this landscape, expected to yield productivity gains through the synergy between physical and digital connectivity, alongside economic and procedural reforms. India Envisioning excellence in both manufacturing and services, India is poised for a solid and sustainable growth path.

(Source: [https://pib.gov.in/PressReleasePage.aspx?PRID=2010223#:~:text=4.,Real%20GDP%20or%20GDP%20at%20constant%20\(2011%2D12\)%20prices,per%20cent%20during%202021%2D22](https://pib.gov.in/PressReleasePage.aspx?PRID=2010223#:~:text=4.,Real%20GDP%20or%20GDP%20at%20constant%20(2011%2D12)%20prices,per%20cent%20during%202021%2D22))

(<https://www.crisil.com/en/home/our-analysis/reports/2024/03/india-outlook-2024-report/growth-marathon.html>)

**INDUSTRY OVERVIEW**

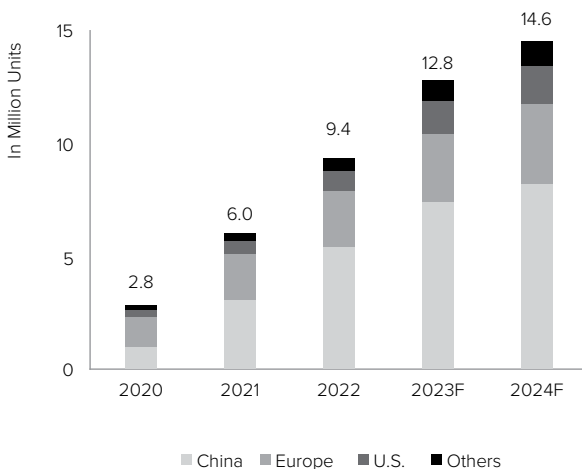
**Global Automotive Industry**

The automotive sector, a resilient driver of Indian economy, is witnessing an unprecedented wave of innovation in 2024,

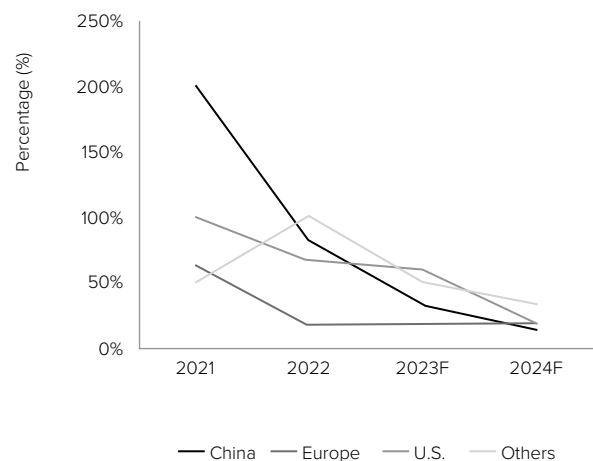
tempered by a cautious atmosphere. Both passenger and commercial vehicle segments experienced phenomenal double-digit growth, surpassing 90 Mn units. This surge is driven by the burgeoning electric vehicle (EV) market, which continues to expand rapidly.

However, there is a noticeable slowdown in the sales of EVs in major markets. For instance, in the U.S., EV sales are expected to rise by only 16% year-on-year in 2024, a sharp drop from the 64% growth seen in 2023. Similarly, in China, the projected growth for 2024 is 11.1%, as opposed to 36.5% recorded in the previous year. This slowdown is linked to several factors, including reduced incentives, a lack of sufficient charging infrastructure, and market saturation among early adopters. In response to this trend, industry leaders are implementing a host of strategies, including price de-escalation aimed at attracting wider market segments. Despite concerted efforts, the slowdown persisted, prompting major automakers to revisit their strategies. This has led to adjustments in production and the postponement of new model launches. Interestingly, within the EV segment itself, diverging trends are observed. While the market for battery electric vehicles (BEVs) faces challenges, plug-in hybrid electric vehicles (PHEVs) are gaining popularity due to their lower initial costs and greater flexibility, addressing concerns over range anxiety.

**Global Electric Passenger Vehicle Sales Volume**



**Global Electric Passenger Vehicle Sales: YoY Growth**



(Source: <https://www.forbes.com/sites/sarwantsingh/2024/01/11/global-automotive-market-predictions-for-2024/?sh=9dd3ab2492b8> <https://www.marketsandmarkets.com/blog/AT/Global%20Automotive%20Market%20Predictions%20For%202024>)

### Indian Automobile Industry

The Indian automobile industry, for a considerable duration, served as a dependable barometer of its economic vitality, reflecting its growth and technological progress. India commands a strong position in the international heavy vehicles market, having the compelling distinctions of being the largest tractor producer, the second-largest bus manufacturer, and the third-largest heavy truck producer globally. According to the data from the Society of Indian Automobile Manufacturers (SIAM), the total unit sales for the industry reached 2,83,53,955 in FY 2023-24, marking significant increase from FY 2022-23.

The automobile industry is poised for further growth, driven by key trends like vehicle electrification, particularly in three-wheelers and small passenger cars. A significant factor set to influence its trajectory is the transition towards EVs. With the Government aiming for a 30% EV penetration by 2030, a surge in demand is highly anticipated.

### Domestic Sales Trend for Automobiles

Domestic sales of Passenger Vehicles in FY 2023-24 surged from 38,90,114 to 42,18,746 units. Additionally, sales of Commercial Vehicles, including medium, light, and heavy variants, increased from 9,62,468 units in FY 2022-23 to 9,67,878 units in FY 2023-24.

Furthermore, a substantial rise from 4,88,768 units to 6,91,749 were recorded in the sales of three-wheelers during the same period. Additionally, there was a surge two-wheeler sales, escalating from 1,58,62,771 units in FY 2022-23 to 1,79,74,365 in FY 2023-24.

Category	FY 2021-22	FY 2022-23	FY 2023-24
<b>Passenger Vehicles</b>	30,69,523	38,90,114	42,18,746
<b>Commercial Vehicles</b>	7,16,566	9,62,468	9,67,878
<b>Three-Wheelers</b>	2,61,385	4,88,768	6,91,749
<b>Two-Wheelers</b>	1,35,70,008	1,58,62,771	1,79,74,365
<b>Quadricycle</b>	124	725	725
<b>Total</b>	1,76,17,482	2,12,04,846	2,38,53,463

(Source: <https://www.siam.in/pressrelease-details.aspx?mpgid=48&pgidtrail=50&pid=562#:~:text=Commenting%20on%20sales%20data%20of,12.5%25%20during%20the%20last%20Financia/>)

### Indian Automotive Component Industry

The Indian automotive component industry witnessed a significant surge in investment in FY 2023-24, primarily directed towards capacity expansion and technological innovation - trends that are anticipated to persist. Substantial

capital injections are set to take place in 2024-25, aimed at introducing fresh products, refining existing product lines tailored to specific platforms, and propelling technological advancements. The notable shift in consumer preference towards larger and more powerful premium vehicles is gaining momentum across all segments. This trend is creating fresh avenues for value-added opportunities for auto component manufacturers. Furthermore, the share of electric vehicles is gradually rising in the overall automotive sales pie in India, constituting approximately 5% of the market share in FY 2022-23 and accounting for approximately 3% of total auto component consumption.

The auto-component manufacturers are expected to experience a consistent increase in annual revenue for 2024-25, both in domestic and international markets. This growth stems from the escalating demand for vehicle sales across all segments, reaching levels comparable to those observed before the onset of the Covid-19 pandemic.

### Auto Component Industry Size (in US\$ Bn)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24
<b>Turnover</b>	45.9	56.5	69.7
<b>Sales to OEMs</b>	37.7	45.8	59.3
<b>After Market</b>	8.7	10	10.6
<b>Exports</b>	13.3	19	20.1
<b>Imports</b>	13.8	18.3	20.3

Looking ahead, the Indian auto component suppliers are poised to benefit from a host of factors in the medium to long term. These include heightened participation in new platforms, greater value addition, and potential gains in the overseas aftermarket sector. Additionally, the shift towards electric vehicles, growing premiumisation of vehicles, ongoing localisation efforts, and evolving regulatory requirements are expected to be the growth enablers, characterised by an increase in content per vehicle.

(Source: <https://www.investindia.gov.in/sector/auto-components>)

(India - Auto Component Industry - Stable Outlook March 2024)

### Government Initiative

**The Automotive Mission Plan:** The Automotive Mission Plan 2016-26 (AMP 2026) outlines India's vision for the growth of automotive industry over the next decade. It sets a target for the industry to expand and achieve 3.5-4 times its current value, reaching approximately ₹ 16,160 – 18,885 Bn by 2026.

## Annexure-I

This plan takes into account various GDP growth scenarios, with focus on areas such as size, contribution to development, global footprint, technology, competitiveness, and institutional capabilities.

**PLI Scheme:**

- **Automobile and Auto Components:** The Production Linked Incentive (PLI) Scheme for Automobile and Auto components boasts a budget of ₹ 25,938 Crore spanning five years from FY 2022-23 to 2026-27. It aims to enhance the manufacturing of Advanced Automotive Technology (AAT) products, while encouraging their extensive localisation and fostering the development of both domestic and global supply chains. The scheme primarily targets Zero Emission Vehicles (ZEVs), including battery electric vehicles and hydrogen fuel cell vehicles to promote the thrust towards AAT.
- **EV Adoption:** The Government announced a host of policy measures to boost EV adoption in India, including the extension of the FAME-II scheme, the Production Linked Incentive (PLI) Scheme for Advanced Chemistry Cell (ACC) batteries, and new initiatives on battery swapping and energy. These policies are set to create a new paradigm of technological advancements within India's automotive supply chain, enhancing its global competitiveness.

(Source: <https://www.investindia.gov.in/team-india-blogs/sustainable-innovations-revolutionizing-automotive-industry>)

(India - Auto Component Industry - Stable Outlook March 2024)

**COMPANY OVERVIEW**

Talbro Automotive Components Limited, (hereon referred to as 'Talbro' or 'The Company'), established in 1956, is a stalwart in Auto Component manufacturing sector, renowned for its innovation and excellence in production. With over six decades of rich experience and unmatched expertise, the

**Product Portfolio**

Products	Companies	Revenue Contribution
Gaskets and Heat Shield	TACL Standalone	₹ 50,198.34 Lacs
	Nippon Leakless Talbro Private Limited	₹ 7,923.38 Lacs
Forging	TACL Standalone	₹ 27,628 Lacs
	Marelli Talbro Chassis Systems Private Limited	₹ 25,991.30 Lacs
Anti-Vibration Products & Hoses	Talbro Marugo Rubber Private Limited	₹ 12,246.89 Lacs

Company stands tall with a diversified product portfolio. Its offerings include gasket & heat shields, forgings, suspension systems, anti-vibration products, and hoses. Spanning two-wheelers, passenger vehicles, commercial vehicles, off-highway, and farm equipment, Talbro's product portfolio caters to a wide spectrum of automotive sectors. With a clientele of over 30 OEMs across multiple geographies, the Company harnesses its key capabilities to solidify presence as a key player in the industry. Buoyed by its strategic collaborations, including its international technology tie-ups and three joint ventures, as under:

- Nippon Leakless Talbro Private Limited (LTL) - a joint venture between Talbro Automotive Components Ltd. (India) and Nippon Leakless Corporation (Japan). During the quarter ended March 31, 2024, the Company has completed the process of divesting and selling its entire 40% stake in its Joint Venture "LTL" constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Cr. The sales proceeds were completed on January 25, 2024.
- Marelli Talbro Chassis Systems Private Limited (MTCS) - a 50:50 partnership between Talbro Automotive Components Ltd. (India) and Marelli Suspension Systems SPA of Italy
- Talbro Marugo Rubber Private Limited (TMR) - a 50:50 partnership between Talbro Automotive Components Ltd. (India) and Marugo Rubber Industries Ltd. Japan

With such tie-ups it ensures the delivery of best-in-class products, reflecting its commitment to innovation. Furthermore, Talbro prioritises sound financial performance and sustainable shareholder value creation. This is evident in its remarkable achievement of consistently disbursing dividend payout for over 50 years, thereby, cementing its status as a trusted leader in the global Automotive Component landscape.

**SWOT ANALYSIS**
**Strengths**

- Talbros maintains a competitive edge, capitalising on its 65 years of industry experience and its status among the industry leaders.
- The Company nurtures a strong relationship with Original Equipment Manufacturers (OEMs) across diverse automotive segments, including passenger vehicles, commercial vehicles, export markets, and off-highway vehicles. These relationships enable the Company to outpace industry growth
- The Company thrives on international technology tie-ups, including joint ventures, enabling it to deliver best-in-class products
- The Company consistently secures export orders from established markets, enhancing its global footprint and diversifying its market reach
- The Company boasts a cutting-edge manufacturing facility equipped with best-in-class equipment, facilitating a diverse and extensive product portfolio
- The Company adheres to high-quality standards, backed by global certifications, resulting in an increase in repeat and referral business

**Weakness**

- Talbros faces a limited presence in supplying components to the electric vehicle industry. However, to overcome this issue, it is actively expanding its product categories to diversify its presence across the automobile industry

**Opportunities**

- Talbros is well-positioned to capitalise on the expanding global shift towards the adoption of electric vehicles, harnessing its robust product portfolio, including supplying parts for plug-in hybrid electric vehicles to OEMs worldwide
- The Company maintains a strong momentum in securing orders from leading domestic OEMs for electric vehicles, highlighting its substantial growth potential in the rapidly expanding EV market
- The Company persists with its ongoing diversification into non-automotive segments, offering new revenue streams and reducing reliance on a single sector

- The Company pursues export opportunities to expand the customer base beyond the domestic market, tapping into the growing global demand for automotive components
- The Company continues to prioritise R&D and innovation, with continuous efforts to enhance and adopt newer technologies, complementing in-house capabilities for developing embedded systems, application software, and integration capabilities
- The Company benefits from a multitude of Government initiatives, including PLI, Make in India campaign, and FAME-II (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles), aimed at supporting the growth of Indian manufacturing units, and fostering a favourable business environment
- The Company thrives on the business ecosystem, marked by the influx of market players into the automotive development and manufacturing space, that is transforming India into a Global Automotive R&D hub
- The Company seeks to tap into the opportunity offered by the Indian Government's target of achieving 20% ethanol blending in petrol by 2025, building on the order worth approximately ₹ 150 Crores it has already received from multiple passenger vehicle OEMs in India to facilitate the E20 fuel mechanism

**Threats**

- Talbros acknowledges the potential of commodity price volatility and supply chain disruptions to significantly impact manufacturing costs. Given this context, it is imperative for the Company to establish mechanisms to monitor and manage market risks, including volatilities in commodity prices. This may involve implementing hedging or offsetting strategies to maintain overall business profitability
- The Company faces the ripple effect of global crises, including future pandemics, economic downturns, or geopolitical tensions, disrupting vehicle demand and global supply chains. To mitigate such risks, it is essential for the Company to formulate contingency plans and pursue diversification strategies including localisation to safeguard its operations and finances

## Annexure-I

**Financial Performance**

Talbro is positioned to seize emerging opportunities and elevate its business to new heights. The Company's financial performance during last fiscal highlights its resilience, agility, and commitment to excellence, laying a strong foundation to pave the way for future growth and success.

Talbro recorded a standalone turnover of ₹ 778.27 Crores in FY 2023-24, marking a 20.25% growth compared to the previous year's gross turnover of ₹ 647.18 Crores. The Company's Profit After Tax (PAT) for FY 2023-24 amounted to ₹ 129.06 Crores, reflecting an increase of 195.33% from ₹ 43.70 Crores in FY 2022-23. Additionally, the consolidated total revenues also registered a 20.25% surge, rising from ₹ 647.18 Crores in FY 2022-23 to ₹ 778.27 Crores in FY 2023-24.

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

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

Particulars	FY 2023-24	FY 2022-23	Difference	Explanation of Change
Inventory Turnover Ratio (times)	3.17	2.86	10.92%	-
Debtors Turnover Ratio (times)	4.11	4.04	1.57%	-
Current Ratio	1.38	1.30	5.15%	-
Interest Coverage Ratio	8.83	4.02	119.65%	On account of reduction in debt and repayment thereof
Debt Equity Ratio	0.17	0.27	-37.41%	due to availability of internally generated cash in the current year. Further, the profit of the Company has increased on account of overall performance leading to improved ratios
Net Profit Margin (%) Including exceptional Items	16.58%	6.75%	145.57%	
Net Profit Margin (%) Excluding exceptional items	8.73%	6.75%	29%	
Returns on Net Worth Including exceptional items	30.98%	14.80%	109.34%	
Returns on Net Worth excluding exceptional items	17.58%	14.80%	18.78%	
Operating Profit Margin (%)	16.50%	14.45%	14.19%	-

**Human Resource**

Talbro ascribes its solid performance and sustained success to its highly dedicated workforce. Acknowledging the importance of cultivating a skilled and adaptable team for the future, the Company makes substantial investments in its employees. Talbro implements tailored progression plans to equip its staff with the necessary expertise to excel in their roles. Furthermore, the Company's partnership-centric human resources strategy extends beyond traditional remuneration and performance assessments, boosting the extent of employee-engagement.

**Employee Lifecycle Management**

Talbro prioritises the work-life balance of its employees, recognising its impact on productivity and motivation. The Company offers guidance for cultivating enduring and rewarding careers, which, in turn, contributes in retaining

employees and ensuring their professional fulfilment within the organisation.

**Training and Development Initiatives**

Talbro organises a wide range of internal and external training programmes aimed at developing leadership skills and addressing specialised functions like manufacturing, quality control, sales and marketing, and information technology. Employees are also encouraged to take part in external training sessions to further enrich their skills and knowledge.

**Employee Retention Strategies**

Talbro offers competitive compensation, benefits, and avenues for career progression, attaching critical importance to talent retention amidst the evolving economic landscape. The Company fosters a positive work atmosphere where employees feel valued and acknowledged.

**Internal Controls**

Talbros attaches immense importance to maintaining a robust internal control framework that aligns with its size, scale, and complexity. The Internal Auditor conducts thorough audits of functional areas and operations to ensure compliance with policies, procedures, and statutory regulations. Significant audit observations and follow-up actions are reported on a quarterly basis to the Audit Committee for review. Consequently, the Audit Committee evaluates the adequacy and effectiveness of the internal control framework and oversees the implementation of audit recommendations. Diligently implementing all recommendations of the Audit Committee is prioritised in Talbros, that in turn reinforces its internal control system. The Board of Directors are entrusted with the responsibility of ensuring the implementation of robust systems and frameworks of internal financial controls within the Company. These controls aim to provide reasonable assurance regarding the adequacy and operating effectiveness of Talbros in the areas of operational and compliance risks.

**Cautionary Statement**

*The statements in the Management Discussion and Analysis section describing organisational objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus, differ materially from those projected in such forward looking-statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.*



## ANNEXURE II

## FORM NO. AOC-2

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

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

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

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

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

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / Audit Committee, if any:	Amount paid as advances, if any:
QH Talbros Private Limited (Associate Company)	Agreement for Sale & Purchase of products i.e. Gaskets/Forgings and other auto parts	01.04.2022 to 31.03.2025	Maximum amount of sale upto ₹ 95.00 crores in one financial year.	08.06.2021	Nil
QH Talbros Private Limited (Associate Company)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	01.04.2023 to 31.03.2032	1% of sales in replacement market(Net of taxes) during the period of contract. Amount not exceeding ₹ 1.50 Crores in one financial year.	08.02.2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Management Fee Agreement	13.02.2023 to 12.02.2028	₹ 30.00 Lacs p.a.	08.02.2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Purchase and/ or Sale Agreement of Rubber, Rubber Compound, other chemicals and to do job work for each other	01.04.2022 to 31.03.2025	Maximum amount of sale/ purchase upto ₹ 4.00 Crores in one financial year.	08.06.2021	Nil
Marelli Talbros Chassis Systems Private Limited (JV Company)	Lease Deed for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	14.03.2022 to 13.03.2027	₹ 2.50 Crores per annum	09.02.2022	Nil
Mrs. Kumkum Talwar (Relative of key managerial personnel)	Lease Deed for the basement premises situated at D-1/36, Vasant Vihar, New Delhi-110057	01.10.2022 to 30.09.2025	₹ 7.20 Lacs per annum	09.08.2022	Nil

## Annexure II (Contd.)

<b>Name(s) of the related party &amp; nature of relationship</b>	<b>Nature of contracts/ Arrangement/ transactions</b>	<b>Duration of the contracts/ agreements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>Date(s) of approval by the Board / Audit Committee, if any:</b>	<b>Amount paid as advances, if any:</b>
Talbros Indiparts Private Limited (Related party)	Rent Agreement for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	01.04.2024 to 31.03.2027	₹ 20.00 Lacs per annum	07.02.2024	Nil
Talbros Indiparts Private Limited (Related party)	Agreement for sale of Company's products in aftermarket	01.04.2024 to 31.03.2027	₹ 60 crores in one financial year	07.02.2024	Nil
Talbros Indiparts Private Limited (Related party)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	01.04.2024 to 31.03.2027	₹ 40.00 Lacs per annum	07.02.2024	Nil

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Vice Chairman & Managing Director

(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 22, 2024

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### ACTIVITIES TO BE INCLUDED IN BOARD'S REPORT

#### 1. A brief outline of the Company's CSR policy

CSR activities of Talbros are focused to:

- Promote employment and enhancing vocational skills for employability of youth.
- Sustain efforts for supporting socially useful programs for welfare and sustainable development of the weaker sections of the society especially the children.
- Any other project or aid which the Committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII (Section 135) or as authorised by Government.

Talbros Automotive Components Limited's CSR Policy is in compliance with the provisions of Companies Act, 2013.

#### 2. Composition of the CSR Committee:

Sl. No.	Name of Member	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of CSR Committee meetings attended during the year
1.	Mr. Umesh Talwar	Chairman, Executive Director	2	2
2.	Mr. Amit Burman	Non-Executive – Independent Director	2	1
3.	Mr. Navin Juneja	Non-Executive - Non Independent Director	2	2

#### 3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: The brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken are placed on the Company's website <https://www.talbros.com/investors-3>

#### 4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable

#### 5. (a) Average net profit of the Company as per Section 135(5): ₹ 4416.18 Lacs

(b) Two percent of average net profit of the Company as per section 135(5): ₹ 88.32 Lacs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year (5b+5c-5d): ₹ 88.32 Lacs

#### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project - ₹ 88.32 Lacs

(b) Amount spent in Administrative Overheads – NIL

(c) Amount spent on Impact Assessment, if applicable - NA

(d) Total amount spent for the Financial Year (6a+6b+6c) - ₹ 88.32 Lacs

Annexure III (Contd.)

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ In Lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
88.32	NIL	NA	NA	NIL	NA

(f) Details of the excess amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – NIL

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135 (5)	<b>88.32</b>
(ii)	Total amount spent for the Financial Year	<b>88.32</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	<b>NIL</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>NIL</b>
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>NIL</b>

7. Details of unspent CSR amount for preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Balance amount in Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Amount spent in the reporting Financial Year (in ₹ Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (In ₹ Lacs)	Deficiency, if any
					Name of the Fund	Date of transfer		
1	2020-21	--	--	--	NIL	NA	NIL	--
2	2021-22	--	--	--	NIL	NA	NIL	--
3	2022-23	--	--	--	NIL	NA	NIL	--
	<b>Total</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>NIL</b>	<b>NA</b>	<b>NIL</b>	<b>--</b>

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year –

Yes

No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):

Not Applicable, since entire obligation has been spent.

For and on behalf of the Board

Sd/-  
Umesh Talwar

Sd/-  
Anuj Talwar

Place: Gurugram

Vice Chairman & Managing Director

Joint Managing Director

Date: May 22, 2024

(DIN: 00059271)

(DIN: 00628063)

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended March 31, 2024**

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

To,  
The Members,  
**Talbro's Automotive Components Limited**  
14/1, Delhi Mathura Road,  
P.O. Amar Nagar,  
Faridabad, Haryana- 121003

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Talbro's Automotive Components Limited** for the financial year ended on March 31, 2024 according to the provisions of:

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

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\* and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

## Annexure IV (Contd.)

### I further report that

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

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

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

I/ we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance

with applicable labor, environmental and industrial laws, rules, regulations and guidelines.

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

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

I also report that during the year, the Company has completed the split/sub-division of its Equity Shares of Rs. 10/- (Rupees Ten only) each into five equity shares of Rs. 2/- (Rupees Two only) each as on the record date of October 27, 2023, as approved by shareholders at the 66th AGM of the Company held on 25 September, 2023.

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

**Sd/-**

**Kiran Sharma**

Company Secretary

M. No.: 4942

C.P No.: 3116

UDIN: F004942E000411139

Place: New Delhi

Date: 21 May, 2024

## **Annexure A to the Secretarial Audit Report dated May 21, 2024**

To,  
The Members  
**Talbro's Automotive Components Limited**  
14/1, Delhi Mathura Road,  
P.O. Amar Nagar,  
Faridabad, Haryana- 121003

Our Secretarial Audit Report dated May 21, 2024 is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company or of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**Sd/-**

**Kiran Sharma**

Company Secretary

M. No.: 4942

C.P No.: 3116

UDIN: F004942E000411139

Place: New Delhi  
Date: 21 May, 2024

**FORM AOC-1**

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

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

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

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

(₹ In Lacs)

Sl. No.	Name of Associate/Joint Ventures	Joint Ventures			Associates*		
		Nippon Leakless Talbros Private. Limited.	Marelli Talbros Chassis Systems Private. Limited.	Talbros Marugo Rubber Private. Limited.	QH Talbros Private Limited.	Talbros International Private. Limited.	Talbros Indiparts Private. Limited.
<b>1</b>	<b>Latest Audited Balance Sheet date</b>	31.03.2024	31.03.2024	31.03.2024	31.03.2023	31.03.2023	31.03.2023
<b>2</b>	<b>Details of Associates / Joint Ventures where shares held by the Company</b>						
	Total shares issued by the Associates/ Joint Venture	12000000	23560000	19000002	3050000	6552111	10,00,000
	Number of shares held by the company	4800000	11780000	9500000	177962	1326970	10,00,000
	Amount of Investment in Associates/ Joint Venture (in INR Lacs)	480.00	1178.00	950.00	-	650.00	-
	Extend of Holding % in the Associates/ Joint Venture	40%	50%	50% less one share	5.83%	20.25%	-
<b>3</b>	<b>Description of how there is significant influence</b>	Joint Venture			No Significant influence	Associate	
<b>4</b>	<b>Reason why the associate/joint venture is not consolidated</b>	Consolidated			Shareholding is less than the threshold limit for Consolidation	Not required under the applicable Ind-AS	
<b>5</b>	<b>Net worth attributable to Shareholding as per latest audited Balance Sheet (in INR Lacs)</b>		3803.93	940.08	1152.71	956.68	155.27
<b>6</b>	<b>Profit/ Loss for the year After Tax before other comprehensive income (in INR Lacs)</b>	1404.73	1889.30	221.22	4083.12	629.52	54.46
i.	Considered in consolidation (in INR Lacs)	561.89	944.65	110.61	-	-	-
ii.	Not considered in consolidation (in INR Lacs)	842.84	944.65	110.61	-	-	-

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

**For and on behalf of the Board**

**Sd/-**

**Umesh Talwar**

Place: Gurugram

Date: May 22, 2024

Vice Chairman & Managing Director

(DIN: 00059271)

**Sd/-**

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)



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

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

### A) Conservation of energy

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

- Vacuum pump running continually for 6mins process cycle for IWH rubber machine, high power consumption Vacuum pump power consumption of 7.5KW motor for 6mins x 8 cycles =6KWH

After installing timer, Vacuum pump power consumption of 7.5KW motor for 1mins x 8 cycles =1KWH.

Pump power saving hourly = 6KWH-1KWH = 5 KWH

Power saving = 24hrs x 5KWH = 120KWH for a day

Saving in price = 120x8 = ₹ 960 for a day

**Saving in price = 960x24 = ₹ 23040 for a month**

**Total saving for a year = ₹ 23040 x 12 = ₹ 276480 p.a.**

**₹ 2,76,480 / Year**

- Chiller running countinually, 3 Nos of pumps running for Desma machine Chiller, high power consumption Cooling tower pump power consumption of 7.5HP motor =5.5KWH

3Nos of pumps always active on load for maintaining the chiller water feeding

While using the individual pressure pump 3hp for chiller cooling tower line

Chiller on load reduces from 24hrs to 20hrs & 2Nos of pumps now active on load for maintaining the chiller water feeding

So, energy saving for chiller is = 24-22 hrs = 2 hrs

Pump power saving hourly = 5.5KWH-2.3KWH = 3.2 KWH = 24hrs\*3.2KWH = 76KWH

If chiller consume 20Kwh x 24hrs = 480 KWH power consumption, then for 22 hrs will be = 440KWH

Power saving = 480-440KWH = 40KWH & 76KWH = 116KWH for a day

**Saving in price = 928x24 = ₹ 22272 for a month**

**Total saving for a year = ₹ 22272 x 12 = ₹ 267264 p.a.**

**₹ 2,67,264 / Year**

#### ii) The capital investment on energy conservation equipment = 1.6 lac Approx.

### B) Technology absorption

#### i) The efforts made towards technology absorption

- Renewed TAA with Sanwa Packing Industry of Japan for Light Weight Nimbus Heat Shield with NVH feature to meet Indian Automotive OEMs requirement of new generation engines. Initiated development of such heat shields for Maruti Suzuki and Hyundai.
- Introduced gasket design with integrated electrical control features - required for functioning of Injectors and Brake.

## Annexure VI (Contd.)

- MLS Cyl. Head gasket with Post Coating Technology through Technical Assistance Agreement with Sanwa Packing Industry of Japan.
- Developing high performance sealing technologies and materials to meet the requirement of new generation BS VI engines.
- Localisation of FKM Compound for partial coating on cylinder head gaskets with support from Sanwa Packing.
- Developed cyl. Head gasket samples for Hydrogen IC engine. These are under validation stage at customer end.
- Initiated development of leakage testing machine for optimising gasket design, material selection. This will get implemented in this financial year.

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

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

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

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

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

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

<b>PARTICULARS</b>	<b>2023-24 (₹ in Lacs)</b>	<b>2022-23 (₹ in Lacs)</b>
Foreign Exchange Earnings	22650.07	18470.13
Foreign Exchange Outgo (Imports)	10154.28	10346.45

For and on behalf of the Board

Sd/-

**Umesh Talwar**

Vice Chairman & Managing Director

(DIN: 00059271)

Sd/-

**Anuj Talwar**

Joint Managing Director

(DIN: 00628063)

Place: Gurugram

Date: May 22, 2024

## ANNEXURE –VII

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	- Ratio of the remuneration of Mr. Umesh Talwar to the median remuneration of the employees - 36:1 - Ratio of the remuneration of Mr. Anuj Talwar - 36:1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Umesh Talwar- 11% Mr. Anuj Talwar- 30% Mr. Manish Khanna- 9% Mrs. Seema Narang- 8%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	15.15%
(iv)	Number of permanent employees on the rolls of company	742
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 8.48%. There was no increase in the managerial remuneration during the year.
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company	The remuneration paid to employees is as per the remuneration policy of the Company.

For and on behalf of the Board

Sd/-  
**Umesh Talwar**Vice Chairman & Managing Director  
(DIN: 00059271)Sd/-  
**Anuj Talwar**Joint Managing Director  
(DIN: 00628063)Place: Gurugram  
Date: May 22, 2024

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

Sl. No.	Name	Designation	Remuneration (in ₹)	Nature of Employment	Qualifications	Experience (in years)	Date of commencement of employment	Age (in years)	Last employment held	Whether relative of any director or manager
1	Suresh Kumar Sharma	President	82,38,798	Permanent	M.B.A and Mechanical Engineering	38	02.02.2016	59	Omax Auto	No
2	Vivek Singh	President	55,19,057	Permanent	PPGDM, Finance & IT / B.E Mechanical	26	15.07.2019	49	AVTEC Limited	No
3	Ajay Singh	Vice President	45,45,958	Permanent	B.E.	35	18.05.1991	59	Tele Tubes	No
4	Manish Khanna	Chief Financial Officer	46,60,616	Permanent	C.A.	27	15.06.2016	53	Lee Boy	No
5	Sushant Sindwani	D.G.M	29,31,237	Permanent	M.B.A.	24	02.06.2014	47	Escorts	No
6	Sanjay Kumar Panday	Assistance Vice President	30,34,488	Permanent	ITI	33	03.02.2023	52.5	Victoria Auto Private Limited	No
7	Anshu Mehra	G.M	25,43,247	Permanent	M.S.W.	25	16.09.2015	48	Omax Auto	No
8	Seema Narang	Company Secretary	23,09,553	Permanent	CS, B.Com (Hons)	32	22.02.2010	57	Aksh Optifibre	No
9	Mohan S. Ambatpure	General Manager Operations	26,50,274	Permanent	B.E. (Prod)	25	03-01-2022	48	Badve Engg Limited.	No
10	Vikas Naruvala	G.M	18,93,200	Permanent	B. Tech and M.B.A.	31	01.12.2022*	51	SATA Vikas India Private. Limited.	No

ii) Employees who were in receipt of remuneration aggregating to ₹ 1,02,00,000/- or more per annum : None

iii) Employees who were in receipt of remuneration aggregating to ₹ 8,50,000/- or more per month: None

iv) Employees who were in receipt of remuneration in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

**For and on behalf of the Board**

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

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

Place: Gurugram  
 Date: May 22, 2024

# REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance is an ethically-driven business process that is committed to values aimed at enhancing an organisation's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations.

At Talbros, the Company's affairs are managed in a fair and transparent manner and it is ensured that we gain and retain the trust of our stakeholders at all times.

The Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

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

## 2. BOARD OF DIRECTORS

### Composition of the Board

As on March 31, 2024, the Board of Directors comprised of Twelve (12) Directors – Two (2) Executive Directors and Ten (10) Non-Executive Directors out of which Six (6) Directors are Independent Directors including one Woman Director.

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

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

The Directors hold qualifications and possess requisite experience/ skills/ expertise and competencies in General Corporate Management, Finance, Legal, Banking, Economics and other allied fields as identified

by the Board in context of Company's business to function effectively. These skills enable Directors to contribute effectively in making decisions for the Company and these skills for each Director are mentioned in a separate matrix later in this report. Detailed profile of each of the Directors is available on the Company's website viz. [www.talbro.com](http://www.talbro.com).

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

During the year 2023-24, no changes took place in the composition of Board of Directors.

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

None of the Directors serve as an Independent Director in more than Seven (7) listed companies as per the requirement of Regulation 17A of SEBI Listing Regulations. It is also confirmed that in the opinion of the Board, all the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

### Familiarisation Programme

The Independent Directors are familiarized with the Company's business model and the regular Industry updates through presentations in the Board Meetings. Interactive sessions with senior leadership team and functional heads in Board Meetings also enables better understanding of business strategy, operational performance, product offerings and market initiatives etc. The roles, rights and responsibilities of Independent Directors are also updated through discussion in Board Meetings and are also included in their Appointment letters as posted on Company's website i.e., <https://www.talbro.com/>

## Report on Corporate Governance (Contd.)

The web link for accessing the familiarisation programmes of Independent Directors is <https://www.talbro's.com/familiarization-programme-of-id>

### Relationship between Directors, *inter-se*

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

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

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

### Number of shares held by Directors as on March 31, 2024

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

Name of Director	No. of Shares held
Mr. Umesh Talwar	9,37,550
Mr. Anuj Talwar	18,75,090

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

Name of Director	No. of Shares held
Mr. Naresh Talwar	14,06,320
Mr. Vidur Talwar	14,06,320
Mr. Varun Talwar	14,06,320
Mr. Navin Juneja	9,940
Mr. Amit Burman	13,125

### Meetings and Attendance

During the year ended March 31, 2024 five meetings of the Board of Directors were held on the following dates:

(i) May 16, 2023 (ii) August 08, 2023 (iii) November 08, 2023 (iv) December 22, 2023 (v) February 07, 2024

The 66<sup>th</sup> Annual General Meeting (AGM) was held on September 25, 2023.

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

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Naresh Talwar (Chairman)	Promoter, Non-Executive	4	Yes
Mr. Umesh Talwar (Vice Chairman and Managing Director)	Promoter, Executive	5	Yes
Mr. Anuj Talwar (Joint Managing Director)	Executive Non-Independent	5	Yes
Mr. Varun Talwar (Joint Managing Director)	Non-Executive Non-Independent	5	Yes
Mr. Vidur Talwar	Non-Executive Non-Independent	5	Yes
Mr. Navin Juneja	Non-Executive Non-Independent	4	Yes
Mr. Anil Kumar Mehra	Non-Executive & Independent	5	Yes
Mr. Deepak Jain	Non-Executive & Independent	4	No
Mr. Amit Burman	Non-Executive & Independent	2	No
Ms. Priyanka Gulati	Non-Executive & Independent	5	No
Mr. Ajay Kumar Vij	Non-Executive & Independent	5	No
Mr. Tarun Singhal	Non-Executive & Independent	4	No

### Separate Meeting of Independent Directors

In terms of the requirements of Section 149(8) of the Companies Act, 2013 read with Schedule IV thereto, a separate meeting of the Independent Directors without the attendance of non-independent directors and members of the management was

## Report on Corporate Governance (Contd.)

held on March 11, 2024 to review performance of Non-Independent Directors and the Board as a whole and also performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of the flow of information between the Company Management and the Board.

### Directorships/ Committee positions held by the Directors

Details of Directorships/ Committee positions held by the Directors as on March 31, 2024 in Indian Listed Companies are as follows:

Name of the Directors	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2024			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s) **	Committee Membership(s)*	Committee Chairmanship*	Name of the Company	Category	
Mr. Naresh Talwar, (Chairman)	-	-	-	-	-	Automotive Components Industry
Mr. Umesh Talwar, (Vice Chairman & Managing Director)	-	-	-	-	-	Automotive Components Industry
Mr. Varun Talwar, (Joint Managing Director)	-	-	-	-	-	IT Sector, Auto Components and Health Care Industry
Mr. Anuj Talwar, (Joint Managing Director)	-	-	-	-	-	Corporate Finance, Credit Analysis and Auto Industry
Mr. Vidur Talwar	-	-	-	-	-	Automotive Components Industry
Mr. Navin Juneja	-	-	-	-	-	Financial Management, Corporate Planning, Accounting and Strategic Planning
Mr. Anil Kumar Mehra	2	-	-	-	-	Finance
Mr. Amit Burman	3	1	-	Dabur India Limited	Non-Executive Director	Management and Healthcare Industry
Ms. Priyanka Gulati	2	-	1	Epac Durable Limited	Non-Executive Independent Director	Management Consulting and Entrepreneurship

## Report on Corporate Governance (Contd.)

Name of the Directors	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2024			Directorships in Other Listed Companies		Skill and Area of Expertise
	Other Directorship(s)**	Committee Membership(s)*	Committee Chairmanship*	Name of the Company	Category	
Mr. Ajay Kumar Vij	1	-	-	-	-	Healthcare Industry
Mr. Deepak Jain	5	2	1	RSWM Limited	Non-Executive Independent Director	Automotive Components Industry
				Lumax Auto Technologies Limited	Non-Executive Director	
				Lumax Industries Limited.	Promoter, Executive Director	
Mr. Tarun Singhal	1	-	-	-	-	Auto Industry

Notes:

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

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

### 3. COMMITTEES OF THE BOARD

#### (i) Audit Committee

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

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

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

- Reviewing the Company's financial reporting process and its financial statement.
- Reviewing the financial and accounting policies and practices and compliance with applicable accounting standards.
- Reviewing reports furnished by internal and statutory auditors.
- Recommending appointment/ re-appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.



## Report on Corporate Governance (Contd.)

- Reviewing with the management, quarterly results and annual financial statements before submission to the Board for approval.
- Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter corporate loans and investments;
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the Whistle blower mechanism.

### Composition and attendance

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

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

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

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

Company Secretary acts as Secretary to the Committee.

During the year ended March 31, 2024, four meetings of the Audit Committee were held on the following dates:

**(i) May 16, 2023 (ii) August 8, 2023 (iii) November 08, 2023 (iv) February 7, 2024.**

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. Anil Kumar Mehra, Chairman	4
Mrs. Priyanka Gulati, Member	4
Mr. Amit Burman, Member	1
Mr. Navin Juneja, Member	4

### (ii) Nomination & Remuneration Committee

Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations (including any amendments and re-enactments thereof).

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

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

## Report on Corporate Governance (Contd.)

- Recommend to the Board, all remuneration, in whatever form, payable to Executive Directors/ Senior Management.

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

### Composition and Attendance

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

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

During the year, one meeting of the Nomination & Remuneration Committee was held on March 11, 2024. The detail of attendance of each Committee Member is as under:

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

### Performance Evaluation

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

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

### Remuneration of Directors

#### Executive Directors

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

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

### Details of Remuneration paid to Directors during the year ended March 31, 2024

(Amt. in ₹)

S. No	Name of the Director	Basic Salary	House Rent Allowance	Provident Fund Contribution	Allowances	Superannuation Fund	Total
1.	Mr. Umesh Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
2.	Mr. Anuj Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
<b>Total</b>		<b>2,03,28,000</b>	<b>1,42,32,000</b>	<b>24,39,360</b>	<b>18,00,000</b>	<b>1,99,992</b>	<b>3,89,99,352</b>

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

Other terms and conditions:

	Mr. Umesh Talwar	Mr. Anuj Talwar
Term of Appointment	Three years (from 01.04.2024 to 31.03.2027)	Three years (from 14.08.2024 to 13.08.2027)*

\* The current tenure of Mr. Anuj Talwar is valid till 13.08.2024 and at the 66th AGM of the Company held on 25.09.2023, Special Resolution was approved by the members for re-appointment of Mr. Anuj for a further period of three years, i.e., from 14.08.2024 to 13.08.2027,

## Report on Corporate Governance (Contd.)

### Non-Executive Directors

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

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

Sitting fee paid for financial year 2023-24 is tabled below:

Name of Non-Executive Directors	Sitting Fee (In ₹)
Mr. A. K. Mehra	2,10,000
Mr. Amit Burman	75,000
Mr. Navin Juneja	1,80,000
Ms. Priyanka Gulati	2,10,000
Mr. Ajay Kumar Viji	1,50,000
Mr. Tarun Singhal	1,20,000
Mr. Deepak Jain	1,20,000
<b>Total</b>	<b>10,65,000</b>

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

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

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

### (iii) Stakeholders' Relationship Committee

Stakeholders' Relationship Committee has been constituted in accordance with the provisions of

Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of the SEBI Listing Regulations (including any amendments and re-enactments thereof).

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

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

### Composition and Attendance

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

During the year ended March 31, 2024, four meetings of the Stakeholders' Relationship Committee were held on the following dates:

(i) May 16, 2023 (ii) August 8, 2023 (iii) November 8, 2023 (iv) February 7, 2024

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

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

## Report on Corporate Governance (Contd.)

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

Status of queries/ complaints received and resolved during the year

Number of Shareholders' Queries/ Complaints received during the year	136
Number of Shareholders Complaints solved to the satisfaction of Shareholders	136
Number of Shareholders Complaints pending as on March 31, 2024	Nil

### Name and designation of Compliance Officer

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

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

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

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

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

### Composition and Attendance

During the year, two meetings of the Corporate Social Responsibility Committee were held on November 7, 2023 and February 6, 2024. The details of attendance of each Committee Member are as under:

Name of Director	No. of meetings attended
Mr. Umesh Talwar, Chairman	2
Mr. Amit Burman, Member	1
Mr. Navin Juneja, Member	2

## 4. GENERAL BODY MEETINGS

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

Financial Year	2020-21	2021-22	2022-23
<b>Venue</b>	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. <b>Deemed venue</b> – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)
<b>Date and Time</b>	September 27, 2021 (Monday), 10.30 A.M.	September 26, 2022 (Monday), 11.00 A.M.	September 25, 2023 (Monday), 11.00 A.M.
<b>Special Resolutions Passed</b>	None	1. Appointment of Mr. Deepak Jain (DIN: 00004972) as an Independent Director for a period of five years commencing from December 29, 2021 to December 28, 2026, not liable to retire by rotation	1. Re-appointment of Mr. Umesh Talwar, Vice Chairman & Managing Director of the Company. 2. Re-appointment of Mr. Anuj Talwar, Joint Managing Director of the Company 3. Re- appointment and continuation of Mrs. Priyanka Gulati (DIN: 07087707) as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2023 4. Approval of alteration of Capital Clause of the Memorandum of Association of the Company

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

## Report on Corporate Governance (Contd.)

### POSTAL BALLOT

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

### 5. MEANS OF COMMUNICATION

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

The financial results are also posted on the website of the Company i.e. <https://www.talbro.com/>

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

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

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

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

**e) Investor Conference Calls:** Every quarter, post announcement of financial results, conference calls are organised with institutional investors and analysts. These calls are addressed by Joint Managing Director, Director and Group CFO and Head of Investor Relations. Transcripts of the calls are hosted on the website of the Company viz. <https://www.talbro.com/>

### 6. GENERAL SHAREHOLDER INFORMATION

#### (i) 67<sup>th</sup> Annual General Meeting

The 67<sup>th</sup> Annual General Meeting will be held on Wednesday, September 25, 2024 at 11.00 a.m. through video conferencing/ other audio-visual means.

#### (ii) Financial Year

The Financial Year of the Company starts from 1st April and ends on 31st March of next year.

#### (iii) Book Closure Date

The period of book closure for the purpose of AGM and payment of Final Dividend for 2023-24 is from September 19, 2024 to September 25, 2024 (both days inclusive).

#### (iv) Financial Reporting Calendar:

Un audited Quarterly results for the quarters	Tentative date of Reporting
April – June 2024	Mid of August, 2024
July – September 2024	Mid of November, 2024
October – December 2024	Mid of February, 2025
January – March 2025	4th week of May, 2025

#### (v) Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of 25% on the paid-up equity share capital of the Company to be considered by the members in the forthcoming Annual General Meeting.

The said dividend, if approved by the shareholders, shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of its declaration in addition to the interim dividend @10% i.e., ₹ 0.20/- per equity shares already paid in December, 2023.

## Report on Corporate Governance (Contd.)

### (vi) Listing of Equity Shares on Stock Exchanges

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

The annual listing fee due to BSE Limited and National Stock Exchange of India Limited for the year 2024-25 has been duly paid.

ISIN of the Equity Shares of the Company is INE187D01029

### (vii) Stock Code

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

### (viii) Market Price Data

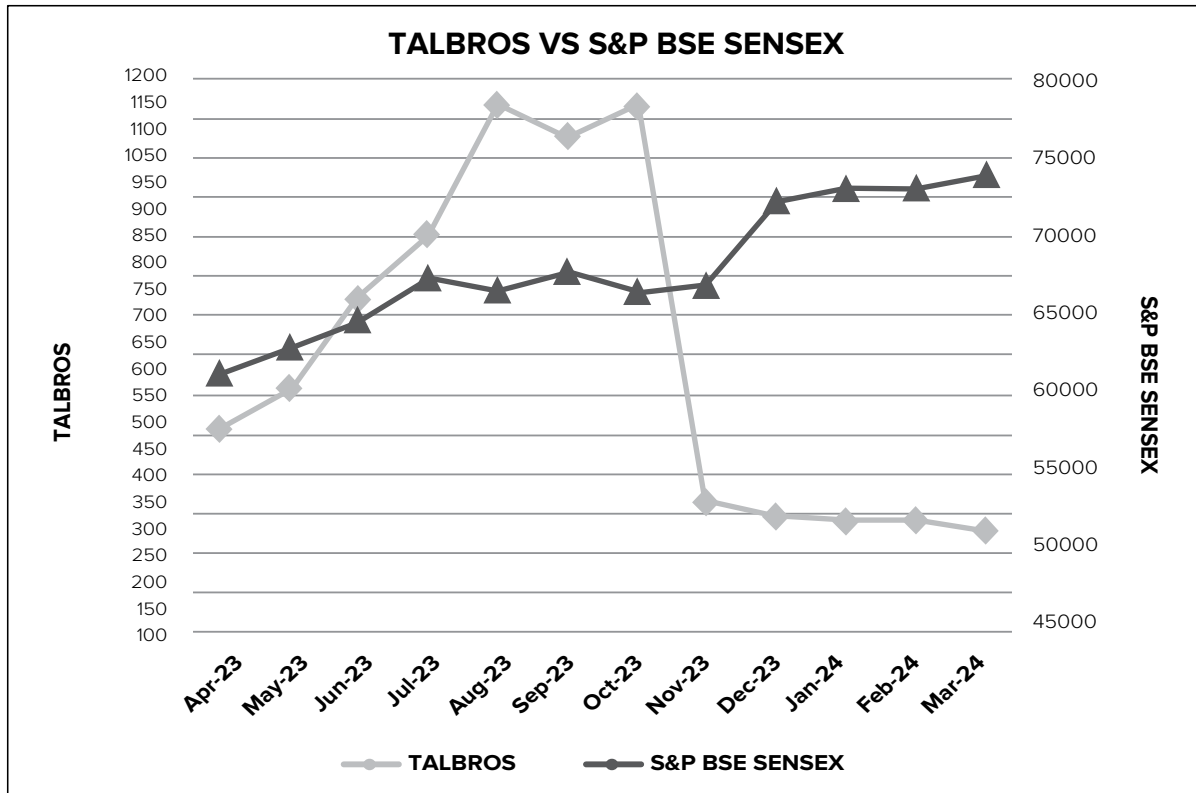
Months	Share Price at BSE		Share Price at NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-23	495.40	410.40	493.20	409.95
May-23	582.00	473.75	582.00	475.05
Jun-23	762.60	553.50	764.00	556.80
Jul-23	899.00	720.00	899.00	720.00
Aug-23	1162.95	858.50	1163.50	856.95
Sep-23	1099.75	912.95	1100.00	914.05
Oct-23	1158.85	214.00	1157.90	213.30
Nov-23	347.75	217.00	346.95	217.00
Dec-23	315.00	273.65	314.00	275.10
Jan-24	305.00	253.60	308.00	258.05
Feb-24	309.95	266.25	309.30	267.00
Mar-24	289.50	220.25	289.00	220.20

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

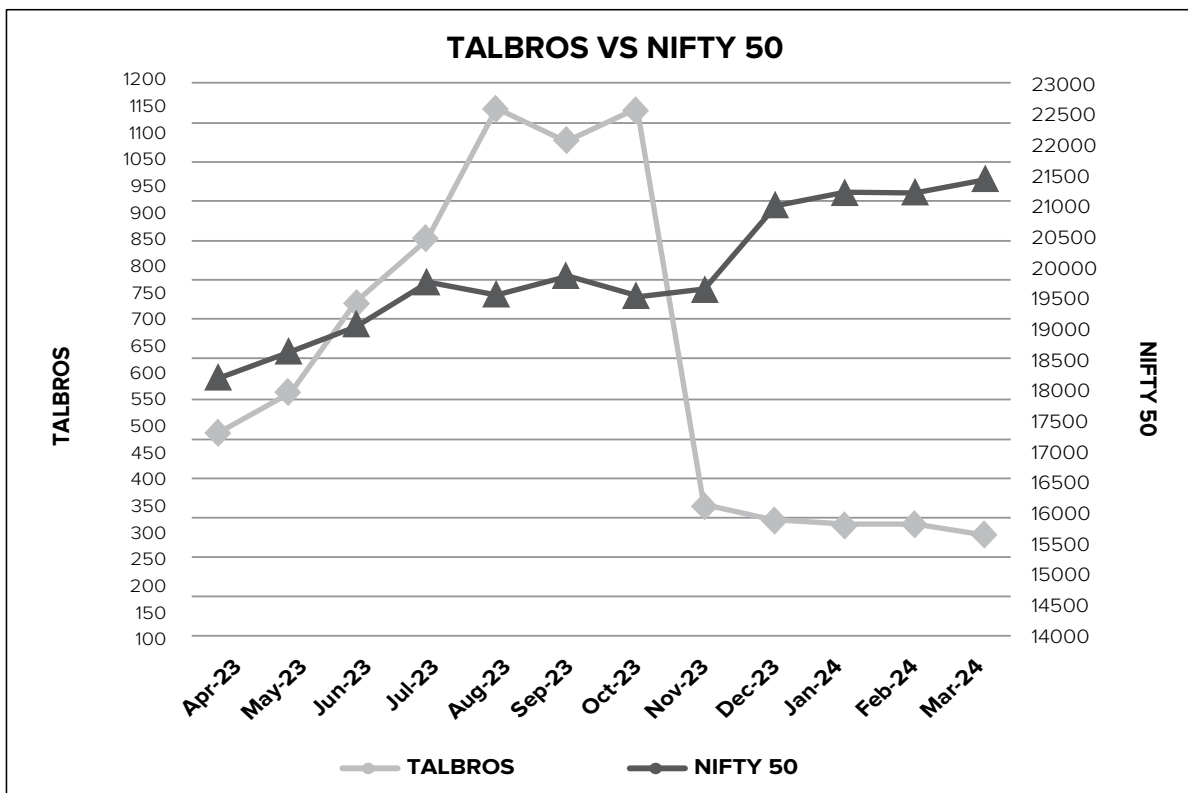
#### BSE SENSEX

Months	Share Price		S&P BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-23	495.40	410.40	61209.46	58793.08
May-23	582.00	473.75	63036.12	61002.17
Jun-23	762.60	553.50	64768.58	62359.14
Jul-23	899.00	720.00	67619.17	64836.16
Aug-23	1162.95	858.50	66658.12	64723.63
Sep-23	1099.75	912.95	67927.23	64818.37
Oct-23	1158.85	214.00	66592.16	63092.98
Nov-23	347.75	217.00	67069.89	63550.46
Dec-23	315.00	273.65	72484.34	67149.07
Jan-24	305.00	253.60	73427.59	70001.6
Feb-24	309.95	266.25	73413.93	70809.84
Mar-24	289.50	220.25	74245.17	71674.42

## Report on Corporate Governance (Contd.)

**NIFTY**

Months	Share Price		Nifty 50	
	High (₹)	Low (₹)	High	Low
Apr-23	493.20	409.95	18089.15	17312.75
May-23	582.00	475.05	18662.45	18042.4
Jun-23	764.00	556.80	19201.7	18464.55
Jul-23	899.00	720.00	19991.85	19234.4
Aug-23	1163.50	856.95	19795.6	19223.65
Sep-23	1100.00	914.05	20222.45	19255.7
Oct-23	1157.90	213.30	19849.75	18837.85
Nov-23	346.95	217.00	20158.7	18973.7
Dec-23	314.00	275.10	21801.45	20183.7
Jan-24	308.20	258.05	22124.15	21137.2
Feb-24	309.30	267.00	22297.5	21530.2
Mar-24	289.00	220.20	22526.6	21710.2



**(ix) Registrar & Transfer Agent**

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

**M/s KFIN Technologies Limited,**  
 Unit: Talbros Automotive Components Limited  
 Karvy Selenium Tower-B, Plot No. 31 & 32  
 Financial District, Gachibowli, Nanakramguda, Serilingampally  
 Hyderabad 500 008, India  
 Email: [rajeev.kr@kfintech.com](mailto:rajeev.kr@kfintech.com)  
 Website: <https://www.kfintech.com>

**(x) Share Transfer System**

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

In this regard, SEBI vide its notification no. SEBI/LADNRO/GN/2018/24 dated June 8, 2018 and Notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018 amended the provisions of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provided that from April 1, 2019, transfer of securities would not be processed unless the securities are held in the dematerialised form with a depository. In view of the same, now the shares cannot be transferred in the physical mode.



## Report on Corporate Governance (Contd.)

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

SEBI has also mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities in physical form. Any service request or complaint received from the Member will not be processed

until the aforesaid details/ documents are provided to RTA and on or after October 01, 2023, in case any of the above cited documents/ details are not available in the folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and prescribed forms in this regard are available on website of the Company at <https://www.talbros.com/>

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

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

### (xi) Distribution of Shareholding as on March 31, 2024

Category ( Amount)		No. of Shareholders		No. of Shares	
From	To	Number	% Total	Number	% Total
1	5000	61,313	98.12	1,17,38,790	19.02
5001	10000	701	1.13	26,57,826	4.31
10001	20000	267	0.43	19,38,418	3.14
20001	30000	75	0.12	9,28,370	1.50
30001	40000	43	0.07	7,35,848	1.19
40001	50000	22	0.03	5,08,173	0.82
500001	100000	32	0.05	11,29,664	1.83
100001	Above	32	0.05	4,20,91,061	68.19
<b>Total</b>		<b>62,485</b>	<b>100.00</b>	<b>6,17,28,150</b>	<b>100.00</b>

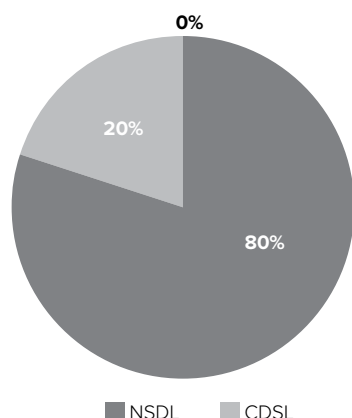
### (xii) Dematerialisation of Shares and Liquidity as on March 31, 2024

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

The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2024 is as follows:

Category	No. of shareholders	No. of Equity Shares	% of Capital
Physical	0	0	0.00
NSDL	19,698	4,95,18,484	80.22
CDSL	42,787	1,22,09,666	19.78
<b>Total</b>	<b>62,485</b>	<b>6,17,28,150</b>	<b>100.00</b>

## Report on Corporate Governance (Contd.)



### (xiii) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2024.

### (xiv) Plant Locations of the Company

The Company has Four Gasket Manufacturing Facilities besides Forging Plant. The addresses are as given below:

NAME OF PLANT	LOCATION
Gasket Plant-I and Registered Office	14/1, Delhi Mathura Road, Faridabad-121003 (Haryana)
Gasket Plant-II	Plot No. 68, F-11, MIDC, Pimpri, Pune-411018 (Maharashtra)
Gasket Plant-III	Industrial Shed No B-100, Gat No. 3/1, 3/3(P), 4/1(P) 5(P) & 8/1, Village-Varale. Tal-Khed, Pune – 410501 (Maharashtra)
Gasket Plant-IV	Plot No.B-177, Phase-I, Eldeco-Sidcul Industrial park, Sitargunj, Uttrakhand-262405
Forging Division	Plot no. 39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501 (Haryana)

### (xv) Address for Correspondence

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

#### Registered Office

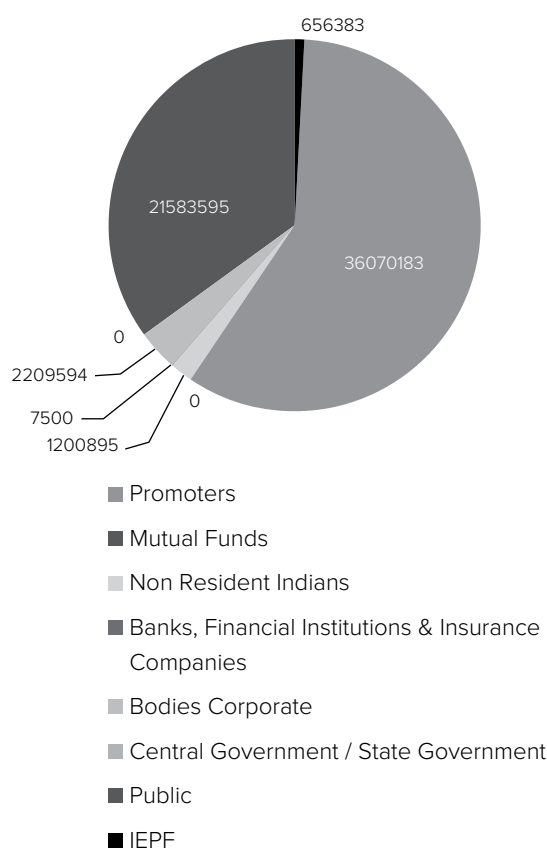
Talbros Automotive Components Limited  
 14/1, Delhi Mathura Road, Faridabad–121003  
 Tel: +91-129- 2251482/ 2251456/2251400  
 Email: [seema\\_narang@talbros.com](mailto:seema_narang@talbros.com)

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

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

### (xvi) Shareholding Pattern as on March 31, 2024

Category	No. of Shares	% to equity
Promoters	36070183	58.43
Mutual Funds	-	-
Non Resident Indians	1200895	1.95
Banks, Financial Institutions & Insurance Companies	7500	0.01
Bodies Corporate	2209594	3.58
Central Government/ State Government	-	-
Public	21583595	34.97
IEPF	656383	1.06
<b>Total</b>	<b>61728150</b>	<b>100.00</b>



## Report on Corporate Governance (Contd.)

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

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

### (xviii) Reconciliation of Share Capital Audit

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

### (xix) Unclaimed Dividends

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

Year	Date of Declaration	Due date for transfer
2016-17	26.09.2017	24.10.2024
2017-18	25.09.2018	23.10.2025
2018-19	25.09.2019	23.10.2026
2019-20	25.09.2020	23.10.2027
2020-21	27.09.2021	25.10.2028
2021-22*	09.02.2022	09.03.2029

Year	Date of Declaration	Due date for transfer
2021-22	26.09.2022	24.10.2029
2022-23*	08.02.2023	08.03.2030
2022-23	25.09.2023	23.10.2030
2023-24*	08.11.2023	06.12.2030

*\*Interim Dividend*

Members who have not encashed their dividend warrants so far in respect of dividend 2016-17 are requested to have the same revalidated to encash and avoid transfer to IEPF as being requested separately by the Company.

### Nomination

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

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

Company's Credit Ratings were revised by CARE Ratings on October 03, 2023 which are mentioned as under:

Facilities	Amount (₹ Crore)	Rating1	Rating Action
Long Term Bank Facilities	123.18 (reduced from 125.07)	CARE A+; Stable (Single A Plus; Outlook: Stable)	Revised from CARE A; Positive (Single A; Outlook: Positive)
Short Term Bank Facilities	45.00	CARE A1+ (A One Plus)	Revised from CARE A1 (A One)
<b>Total Facilities</b>	<b>168.18 (₹ One Hundred Sixty-Eight Crore and Eighteen Lacs Only)</b>		

## Report on Corporate Governance (Contd.)

### 7. OTHER DISCLOSURES

#### (a) Related Party Transactions

All transactions with Related Parties during the financial year ended March 31, 2024 covered under the Companies Act, 2013 and SEBI Listing Regulations were at arm's length basis, in the ordinary course of business and in accordance with the shareholders' approval.

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

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

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

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

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The employee may also approach the Chairman of the Audit Committee in exceptional circumstances or issues related to whistle blower victimisation. The Whistle Blower Policy is an extension of the Talbros Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company.

The disclosures reported are addressed in the manner and within the time frames as per Talbros's Global Policy. The Company affirms that no personnel have been denied access to the Audit Committee to make any protected disclosure under the Whistle Blower Policy.

#### (d) Compliances by the Company

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

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

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

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

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

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

<https://www.talbros.com/policies-and-codes>

#### (g) Risk Management

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

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

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

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

## Report on Corporate Governance (Contd.)

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

No funds have been raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year ended on March 31, 2024.

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

The Company has obtained a certificate from a practicing Company Secretary that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The said certificate forms a part of this report.

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

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

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

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

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

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

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

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

No complaints have been filed/ disposed of/ pending during the financial year 2023-24.

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

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines which advise on procedure to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of non-compliances.

**(n) Disclosure of accounting treatment**

The financial statements of the Company have been prepared in accordance with the Section 133 of the Companies Act, 2013 and Indian Accounting Standard Rules, 2015, which became applicable on the Company w.e.f. 01.04.2017.

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

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

The certificate from Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Manish Khanna, Chief Financial Officer of the Company as placed before the Board in terms of Regulation 17(8) of the SEBI Listing Regulations is enclosed at the end of this Report.

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

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

**8. Adoption of Discretionary Requirements**

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

## Report on Corporate Governance (Contd.)

### 9. Disclosure with respect to Demat suspense account/ unclaimed suspense account

Your Company has two separate Suspense Escrow Demat Accounts titled as “Talbro's Automotive Components Limited - Suspense Escrow Demat Account” opened with HDFC Bank Limited, New Delhi.

The first Demat Account has been opened for the purpose of crediting the shares in case the shareholder fails to submit the demat request within 120 days from the date of issuance of Letter of Confirmation; and

Pursuant to split/ sub-division of the equity shares of the Company of ₹ 10/- each into five equity shares of ₹ 2/- each on October 27, 2023, the Company has opened the second Escrow Demat Account for the purpose of transfer of the shares of the shareholders in that account who were holding shares in physical mode as on the date of split of shares. The Company releases the aforesaid shares as and when requests from respective shareholders are received by the Company.

#### Details of shares transferred to ‘Suspense Escrow Demat Account’ are given below:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1396	759030
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	35	18330
Number of shareholders to whom shares were transferred from suspense account during the year	35	18330
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	1361	740700

### 10 Compliance Certificate on report of Corporate Governance

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

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

**To**

**The Members of Talbros Automotive Components Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 04, 2023.
2. We have examined the details of the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2024, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period April 01, 2023 to March 31, 2024.

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

3. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period April 01, 2023 to March 31, 2024. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

**AUDITORS' RESPONSIBILITY**

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2024.
5. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the mentioned Listing Regulations above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted

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

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

**OPINION**

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

**RESTRICTION ON USE**

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

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

Chartered Accountants  
Firm Reg. No. 001111N

**Sd/-  
(Akhil Bhalla)**

Partner

Place: Gurugram  
Date: 22<sup>nd</sup> May, 2024

Membership. No. 505002  
UDIN: 23505002BGTILA2024



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members of  
**Talbro's Automotive Components Limited**  
14/1, Mathura Road,  
Faridabad- 121003, Haryana

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	Name of Director	DIN	Date of appointment
1	Mr. Naresh Talwar	00059155	15/07/2001
2	Mr. Umesh Talwar	00059271	18/04/2000
3	Mr. Varun Talwar	00263984	14/08/2008
4	Mr. Vidur Talwar	00114643	12/02/2015
5	Mr. Anuj Talwar	00628063	14/08/2012
6	Mr. Navin Juneja	00094520	12/11/2010
7	Mr. Anil Kumar Mehra	00004654	31/01/2004
8	Mr. Amit Burman	00042050	25/06/2008
9	Mr. Ajay Kumar Vij	00164984	02/01/2019
10	Mrs. Priyanka Gulati	07087707	25/05/2018
11	Mr. Tarun Singhal	07056960	18/06/2020
12	Mr. Deepak Jain	00004972	29/12/2021

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

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

**Sd/-  
Kiran Sharma**

M. No. 4942

CP No. 3116

UDIN: F004942F000411315

Place: New Delhi  
Date: May 21, 2024



**DECLARATION FOR CODE OF CONDUCT**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2024.

**For Talbros Automotive Components Limited**

**Sd/-**

**Umesh Talwar**

(Vice Chairman & Managing Director)

DIN: 00059271

Place: Gurugram  
Date: May 22, 2024

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

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

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

- A. We have reviewed the Audited Financial Results of the Company for the Financial Year ended March 31, 2024 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or figures or omit any material fact or contain statements or figures that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there were no deficiencies in the design or operation of internal control which came to our notice.
- D. We have indicated to the Auditors and the Audit Committee, wherever required:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**

**Umesh Talwar**

Vice Chairman and Managing Director

DIN: 00059271

**Sd/-**

**Manish Khanna**

Chief Financial Officer

PAN: AFNPK9894A

Place: Gurugram  
Date: May 22, 2024

**STANDALONE  
FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## To the Members of

### Talbro Automotive Components Limited

#### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Standalone financial statements of **Talbro Automotive Components Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement for Cash Flows for the year ended on that date, and notes to the financial statement including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at March 31, 2024, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

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

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

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

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

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

## Independent Auditors' Report (Contd.)

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

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

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

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

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

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

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

decision of users taken on the basis of these standalone financial statements.

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

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

## Independent Auditors' Report (Contd.)

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
  - (e) On the basis of the written representations received as on March 31, 2024, taken on record by the Board

of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to Note 39 to the standalone financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred to Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have

## Independent Auditors' Report (Contd.)

- been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 37(B) to the standalone financial statements:
- (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable;
- (b) The interim dividend declared and paid by the Company during the year complies with Section 123;
- (c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) Based on our examination, which included test checks, the Company has used two different accounting software namely Oracle Platform-based ERP Software and Integral Infogen Technology Private Limited (ERP 10 G) for maintaining its books of account at different locations for the financial year ended March 31, 2024.
- a. Oracle Platform-based ERP software has a feature of recording audit trail (edit log) facility implemented from April 01, 2023 and the same has operated throughout the year for all relevant transactions recorded in the software.
- b. Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility implemented from May 01, 2023 and the same has subsequently operated throughout the year for all relevant transactions recorded in the Finance module of the software.
- Further, during our audit, we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

## Independent Auditors' Report (Contd.)

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Chartered Accountants  
Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner  
Membership No. 505002  
UDIN: 24505002BKBYAX8518

Place: Gurugram

Dated: May 22, 2024

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

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

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

We have audited the internal financial controls over the financial reporting of Talbro's Automotive Components Limited (“the Company”) as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

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

**Auditors’ Responsibility**

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

financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



**Annexure 'A' To The Independent Auditor's Report (Contd.)****Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants  
Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner  
Membership No. 505002  
UDIN: 24505002BKBYAX8518

Place: Gurugram

Dated: May 22, 2024

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Talbros Automotive Components Limited of even date)**

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, investment property, capital work-in-progress and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment, Right-of-use Assets, Investment Property and Capital Work-in-Progress so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, Right of use Assets, Investment Property and Capital Work-in-Progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed in such verification
- (c) Based on our examination of the property tax receipts and lease agreements for the land on which the building is constructed and confirmation from the lenders with whom title deeds have been deposited as security for availing the banking facilities, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and Investment Property are held in the name of the company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year, except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were less than 10% in aggregate for each class of inventory and the same has been properly dealt within books of account.
  - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in the aggregate, from banks on the basis of security of current assets during the year and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company. Items of reconciliation have been duly identified between the quarterly returns and books of account of the company.
- iii. The Company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not entered any transaction covered under section 185 of the Act. However, the company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant

## Annexure 'B' To The Independent Auditor's Report (Contd.)

provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, regarding the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard. The Company has not accepted any amounts which are deemed to be deposits, and hence reporting under clause 3 (v) of the order is not applicable.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2024, for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the amounts relate	Forum where the dispute is pending
Finance Act, 1994	Cenvat-Credit disallowed	8.85	-	2007-08 to 2010-11	Assistant Commissioner Faridabad
Custom Act, 1962	Demand of Custom Duty	28.12	4.13	FY 2012-13, 2014-15, 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
Custom Act, 1962	Demand of Custom Duty	7.97	-	2013-14	Deputy Commissioner of Customs, Delhi
Uttarakhand VAT Act, 2005	Value Added tax	38.67	-	FY 2016-17	Deputy Commissioner
Income Tax Act	Income Tax	871.51	283.26	FY 2012-13, 2015-16, 2016—2017, 2017-18	CIT(Appeals)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

- (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.

- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any

## Annexure 'B' To The Independent Auditor's Report (Contd.)

- funds from any entity or person on account of or to meet the obligations of its joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures.
- x. (a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios disclosed in note 43F to the Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in

## Annexure 'B' To The Independent Auditor's Report (Contd.)

Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) In our opinion, there are no ongoing projects and accordingly reporting under clause 3(xx)(b) of the Order is not applicable.

**For J. C. Bhalla & Co.**  
Chartered Accountants  
Firm's Registration No. 001111N

**(Akhil Bhalla)**  
Partner  
Membership No. 505002  
UDIN: 24505002BKBYAX8518

Place: Gurugram  
Dated: May 22, 2024



# BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	March 31, 2024	March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	20,895.59	16,796.34
Capital work in progress	2	734.77	477.73
Investment property	3	265.48	282.14
Intangible assets	4	56.37	67.31
Financial assets			
Investments	5	15,966.00	8,135.32
Other financial assets	7A	7,066.15	279.83
Non-current tax assets	8	325.30	224.05
Other non-current assets	9A	670.30	364.30
<b>Total non-current assets</b>		<b>45,979.96</b>	<b>26,627.02</b>
<b>Current assets</b>			
Inventories	10	12,677.19	13,253.21
Financial assets			
Trade receivables	11	21,032.75	16,853.21
Cash and cash equivalents	12	236.05	528.41
Other bank balances	13	283.48	281.95
Loans	6	270.43	388.20
Other financial assets	7 B	156.41	140.36
Other current assets	9 B	2,420.80	2,977.58
<b>Total current assets</b>		<b>37,077.11</b>	<b>34,422.92</b>
<b>Total assets</b>		<b>83,057.07</b>	<b>61,049.94</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	1,234.56	1,234.56
Other equity	15	49,867.54	30,988.88
<b>Total equity</b>		<b>51,102.10</b>	<b>32,223.44</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16 A	342.48	608.48
Lease liabilities	17 A	987.13	-
Other financial liabilities	18 A	25.13	22.89
Provisions	19 A	211.87	198.43
Deferred tax liabilities	20	3,346.69	1,453.21
Other non-current liabilities	21 A	109.82	78.86
<b>Total non-current liabilities</b>		<b>5,023.12</b>	<b>2,361.87</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16 B	8,277.49	8,075.13
Lease liabilities	17 B	263.15	5.63
Trade payables	22		
(i) total outstanding dues of micro enterprises and small enterprises		847.81	305.91
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15,920.15	16,586.20
Other financial liabilities	18 B	864.38	839.76
Other current liabilities	21 B	626.12	531.32
Provisions	19 B	132.75	120.68
<b>Total current liabilities</b>		<b>26,931.85</b>	<b>26,464.63</b>
<b>Total equity and liabilities</b>		<b>83,057.07</b>	<b>61,049.94</b>
The accompanying notes form an integral part of these financial statements	1-46		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbro's Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

**STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue</b>			
Revenue from operations	23	77,826.68	64,718.32
Other income	24	1,377.47	619.95
<b>Total income</b>		<b>79,204.15</b>	<b>65,338.27</b>
<b>Expenses</b>			
Cost of materials consumed	25	41,158.83	35,317.02
Purchase of stock-in-trade	26	495.76	496.91
Changes in inventories of finished goods, stock in trade and work in progress	27	593.84	(701.65)
Employee benefits expenses	28	8,111.90	7,069.39
Finance costs	29	1,326.54	1,135.87
Depreciation and amortisation expense	30	2,591.09	2,372.34
Other expenses	31	16,001.17	13,806.99
<b>Total expenses</b>		<b>70,279.13</b>	<b>59,496.87</b>
<b>Profit before exceptional items and tax</b>		<b>8,925.02</b>	<b>5,841.40</b>
Exceptional items	32	7,653.48	-
<b>Profit before tax</b>		<b>16,578.50</b>	<b>5,841.40</b>
<b>Tax expense</b>	33		
Current tax		3,718.89	1,517.48
Deferred tax		(31.87)	(53.22)
Earlier years tax adjustments (net)		(14.74)	6.81
<b>Total tax expense</b>		<b>3,672.28</b>	<b>1,471.07</b>
<b>Profit for the year</b>		<b>12,906.22</b>	<b>4,370.33</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(42.52)	31.25
Changes in fair value of FVOCI equity instruments		8,310.68	1,689.18
Income tax relating to items that will not be reclassified to profit or loss		(1,925.36)	(401.38)
<b>Total other comprehensive income for the year</b>		<b>6,342.80</b>	<b>1,319.05</b>
<b>Total comprehensive income for the year</b>		<b>19,249.02</b>	<b>5,689.38</b>
<b>Earnings per equity share (Face value ₹ 2 per share)</b>	34		
Basic (₹)		20.91	7.08
Diluted (₹)		20.91	7.08
The accompanying notes form an integral part of these financial statements	1-46		

This is the statement of profit or loss referred to in our report of even date

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

## A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

## B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
<b>Balance as at April 01, 2022</b>	<b>798.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>17,675.62</b>	<b>2,440.78</b>	<b>25,608.14</b>
Profit for the year	-	-	-	4,370.33	-	4,370.33
Other comprehensive income for the year (net of tax impact)	-	-	-	23.39	1,295.66	1,319.05
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(308.64)	-	(308.64)
<b>Balance as at March 31, 2023</b>	<b>848.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>21,710.70</b>	<b>3,736.44</b>	<b>30,988.88</b>
Profit for the year	-	-	-	12,906.22	-	12,906.22
Other comprehensive income for the year (net of tax impact)	-	-	-	(31.82)	6,374.62	6,342.80
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(370.36)	-	(370.36)
<b>Balance as at March 31, 2024</b>	<b>898.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>34,164.74</b>	<b>10,111.06</b>	<b>49,867.54</b>

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co

Chartered Accountants

Firm Registration No.: 001111N

per Akhil Bhalla

Partner

Membership No. 505002

Place: Gurugram

Date: May 22, 2024

For and on behalf of Talbro's Automotive Components Limited

Anuj Talwar

Joint Managing Director

[DIN: 00628063]

Umesh Talwar

Vice Chairman and Managing Director

[DIN: 00059271]

Manish Khanna

Chief Financial Officer

Seema Narang

Company Secretary



**STATEMENT OF CASH FLOW**

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>16,578.50</b>	<b>5,841.40</b>
Adjustments for:		
Depreciation on property, plant and equipment, investment property and intangible assets	2,591.09	2,372.34
Profit on sale of property, plant and equipment (net)	(74.43)	(43.17)
Interest income	(163.38)	(69.13)
Profit on sale of investment in joint venture	(7,653.48)	-
Dividend income	(467.63)	(90.76)
Allowance for doubtful debts (net)	180.61	146.65
Unrealised foreign exchange gain	(18.41)	(49.58)
Advances written off	15.62	180.60
Provisions no longer required written back	-	(180.60)
Finance costs	1,326.54	1,135.87
<b>Operating profit before working capital changes</b>	<b>12,315.03</b>	<b>9,243.62</b>
<b>Movement in working capital</b>		
Change in inventories	576.02	(1,827.80)
Change in Trade receivables, other financial and non-financial assets	(3,895.04)	(2,078.60)
Change in Trade payable, other financial and non-financial liabilities	(54.44)	1,856.43
<b>Cash generated from operating activities post working capital changes</b>	<b>8,941.57</b>	<b>7,193.65</b>
Income tax paid (net)	(2,266.66)	(1,535.17)
<b>Net cash generated from operating activities (A)</b>	<b>6,674.91</b>	<b>5,658.48</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(6,009.99)	(4,206.20)
Proceeds from sale of property, plant and equipment	200.65	383.90
Sale of investment in joint venture (Net of tax ₹ 1,538.75 Lacs and related expenses of ₹ 46.52 Lacs)	6,594.73	-
Movement in other bank balances	(6,617.99)	(40.61)
Proceeds from intercorporate deposits	105.00	-
Dividend received	467.63	90.76
Interest received	84.24	67.34
<b>Net cash used in investing activities (B)</b>	<b>(5,175.72)</b>	<b>(3,704.81)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	540.84	609.72
Repayment of term borrowings	(611.41)	(827.79)
Payment towards lease liabilities	(53.07)	(14.21)
Dividend paid	(379.56)	(294.49)
Interest paid	(1,288.35)	(1,104.04)
<b>Net cash used in financing activities (C)</b>	<b>(1,791.55)</b>	<b>(1,630.81)</b>
Increase/ (decrease) in cash and cash equivalents (A+B+C)	(292.36)	322.86
Cash and cash equivalents at the beginning of the year	528.41	205.55
<b>Cash and cash equivalents at the end of the year (Refer note 12)</b>	<b>236.05</b>	<b>528.41</b>

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended March 31, 2024

### 1. CORPORATE INFORMATION

Talbro's Automotive Components Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Company is in the business of manufacturing Gaskets and forging. The Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

These financial statements are standalone financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2024 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 22, 2024.

#### 1.1 Material Accounting policies

##### a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured using actuarial valuation.

The significant accounting policies that are used in the preparation of these financial statements are summarised below. These accounting policies are consistently used throughout the periods presented in the financial statements.

##### b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### *Significant management judgments*

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

#### **Provisions, contingent liabilities and contingent assets**

– The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Leases** – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

*Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

*Fair value measurements*

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

c) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### d) Inventory

Inventories are valued as follows:

#### Raw material, stores and spares

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with In AS 16.

#### Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### e) Property, plant and equipment

#### Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working

condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company and the benefit shall be availed over a period of more than 1 year. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### Subsequent measurement (depreciation and useful lives)

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	Useful life
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

\*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed,

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

or significant components replaced; depreciation on such assets is calculated on a pro rata basis on individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

***De-recognition***

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

***Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

**f) Intangible assets*****Recognition and initial measurement***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

***Subsequent measurement (Amortisation and useful lives)***

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any

change in the same is accounted for prospectively. The following useful lives are applied:

<b>Intangible assets</b>	<b>Amortisation period</b>
Computer Software	3-5 years
Technical know how	10 years

***De-recognition***

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

***Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

**g) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognised.

***Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

properties recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

### h) Leases

#### Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over

the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Company does not have any finance lease as a lessor.

### i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

**j) Revenue recognition**

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price

4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

**Sale of goods and services**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated.

Revenue from services is recognised when Company satisfies the performance obligations by transferring the promised services to its customers.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

### k) Financial instruments

#### *Recognition and initial measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

#### *Subsequent measurement*

#### **Financial assets**

##### **i. Financial assets carried at amortised cost –**

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

##### **ii. Financial assets at fair value**

- **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument-to-instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI).

There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### *De-recognition of financial assets*

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Financial liabilities**

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

#### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### **l) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.



**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**m) Investment in joint ventures**

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**n) Retirement and other employee benefits****Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has

no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

**Compensated absence**

Compensated absence, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

### Other short-term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

### o) Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

### p) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

## 1.2 Other accounting policy information

### a) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**b) Government grant**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

**c) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the leases recognised in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**d) Foreign currency transactions***Functional and presentation currency*

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional and presentation currency.

*Foreign currencies**Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at exchange rates at the date the transaction first qualifies for recognition.

*Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

All other exchange differences are charged to the statement of profit and loss.

**e) Other income****Dividend income**

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

**Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**Export incentives**

Export incentives are accounted on accrual basis.

**f) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **g) Cash and cash equivalents**

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

### **1.3 Recent accounting pronouncements which are not yet effective**

As on date of these standalone financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards which are effective from April 01, 2024.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 2 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
<b>Gross block</b>														
As at April 01, 2022	693.56	413.99	34.23	3,152.78	24,581.33	503.15	27.80	630.55	500.22	993.71	105.72	10.52	31,647.56	325.02
Additions	-	-	-	340.61	3,747.63	24.89	-	47.45	22.50	2.27	-	-	4,185.35	477.73
Disposals/transfers	-	-	-	-	(1,329.85)	(85.00)	-	(13.48)	(175.28)	(35.97)	-	-	(1,639.58)	(325.02)
<b>Balance as at March 31, 2023</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,493.39</b>	<b>26,999.11</b>	<b>443.04</b>	<b>27.80</b>	<b>664.52</b>	<b>347.44</b>	<b>960.01</b>	<b>105.72</b>	<b>10.52</b>	<b>34,193.33</b>	<b>477.73</b>
Additions	-	-	1,344.26	662.06	4,511.48	23.68	-	81.48	66.42	128.43	-	-	6,817.81	1,064.36
Disposals/transfers	-	-	-	-	(3,425.05)	(35.25)	-	(118.31)	(36.99)	(34.25)	(62.69)	-	(3,712.54)	(807.32)
<b>Balance as at March 31, 2024</b>	<b>693.56</b>	<b>413.99</b>	<b>1,378.49</b>	<b>4,155.45</b>	<b>28,085.54</b>	<b>431.47</b>	<b>27.80</b>	<b>627.69</b>	<b>376.87</b>	<b>1,054.19</b>	<b>43.03</b>	<b>10.52</b>	<b>37,298.60</b>	<b>734.77</b>
<b>Accumulated depreciation</b>														
As at April 01, 2022	-	62.62	17.49	1,454.43	12,786.48	204.91	27.25	546.21	418.61	691.38	97.02	10.44	16,316.84	-
Charge for the year	-	4.60	11.42	118.02	2,032.47	76.88	0.55	46.93	36.55	41.81	2.47	-	2,371.70	-
Disposals/transfers	-	-	-	-	(999.39)	(70.47)	-	(13.47)	(175.15)	(33.07)	-	-	(1,291.55)	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>67.22</b>	<b>28.91</b>	<b>1,572.45</b>	<b>13,819.56</b>	<b>211.32</b>	<b>27.80</b>	<b>579.67</b>	<b>280.01</b>	<b>700.12</b>	<b>99.49</b>	<b>10.44</b>	<b>17,396.99</b>	<b>-</b>
Charge for the year	-	4.60	73.06	151.80	2,166.69	61.18	-	52.46	34.43	39.98	1.61	-	2,585.81	-
Disposals/transfers	-	-	-	-	(3,298.14)	(33.77)	-	(118.31)	(35.90)	(30.98)	(62.69)	-	(3,579.79)	-
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>71.82</b>	<b>101.97</b>	<b>1,724.25</b>	<b>12,688.11</b>	<b>238.73</b>	<b>27.80</b>	<b>513.82</b>	<b>278.54</b>	<b>709.12</b>	<b>38.41</b>	<b>10.44</b>	<b>16,403.01</b>	<b>-</b>
<b>Net block as at March 31, 2024</b>	<b>693.56</b>	<b>342.17</b>	<b>1,276.52</b>	<b>2,431.20</b>	<b>15,397.43</b>	<b>192.74</b>	<b>-</b>	<b>113.87</b>	<b>98.33</b>	<b>345.07</b>	<b>4.62</b>	<b>0.08</b>	<b>20,895.59</b>	<b>734.77</b>
<b>Net block as at March 31, 2023</b>	<b>693.56</b>	<b>346.77</b>	<b>5.32</b>	<b>1,920.94</b>	<b>13,179.55</b>	<b>231.72</b>	<b>-</b>	<b>84.85</b>	<b>67.43</b>	<b>259.89</b>	<b>6.23</b>	<b>0.08</b>	<b>16,796.34</b>	<b>477.73</b>

**(i) Expenditures capitalised in the carrying amount of property plant and equipment**

The Company has capitalised the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2024		March 31, 2023	
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
Salaries and wages	198.55		187.16	
Depreciation	43.69		56.34	
Power and fuel	112.47		128.26	
Repairs and maintenance	66.76		78.90	
Processing charges and consumable	428.16		423.30	
<b>Total</b>	<b>849.63</b>		<b>873.96</b>	

**(ii) Contractual obligations**

Refer note 39B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iii) Assets pledged as security**

Refer note 16 for disclosure of property, plant and equipment pledged as securities against borrowing

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
<b>Gross block</b>			
As at April 01, 2022	40.77	512.27	553.04
Additions/transfers	-	-	-
<b>As at March 31, 2023</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
Additions/transfers	-	-	-
<b>Balance as at March 31, 2024</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
<b>Accumulated depreciation</b>			
As at April 01, 2022	-	255.08	255.08
Charge for the year	-	15.82	15.82
<b>As at March 31, 2023</b>	<b>-</b>	<b>270.90</b>	<b>270.90</b>
Charge for the year	-	16.66	16.66
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>287.56</b>	<b>287.56</b>
<b>Net block as at March 31, 2024</b>	<b>40.77</b>	<b>224.71</b>	<b>265.48</b>
<b>Net block as at March 31, 2023</b>	<b>40.77</b>	<b>241.37</b>	<b>282.14</b>

#### (i) Amount recognised in profit and loss for investment property

Particulars	March 31, 2024	March 31, 2023
Rental income	245.31	213.82
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment property before depreciation</b>	<b>245.31</b>	<b>213.82</b>
Less: depreciation expense	16.66	15.82
<b>Profit from leasing of investment property after depreciation</b>	<b>228.65</b>	<b>198.00</b>

\*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

#### (ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 39 (ii) for details on future minimum lease rentals.

#### (iii) Fair value of investment property:

Particulars	March 31, 2024	March 31, 2023
Fair value	837.47	687.65

The Company obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Company considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 4 INTANGIBLE ASSETS**

Particulars	Computer software	Technical know-how	Total
<b>Gross block</b>			
As at April 01, 2022	438.41	485.37	923.78
Additions	7.48	8.79	16.27
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>401.96</b>	<b>494.16</b>	<b>896.12</b>
Additions	21.37	-	21.37
Disposals	(37.10)	-	(37.10)
<b>Balance as at March 31, 2024</b>	<b>386.23</b>	<b>494.16</b>	<b>880.39</b>
<b>Accumulated amortisation</b>			
As at April 01, 2022	399.90	431.68	831.58
Amortisation charge for the year	22.20	18.96	41.16
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>378.17</b>	<b>450.64</b>	<b>828.81</b>
Amortisation charge for the year	15.76	16.55	32.31
Disposals	(37.10)	-	(37.10)
<b>Balance as at March 31, 2024</b>	<b>356.83</b>	<b>467.19</b>	<b>824.02</b>
<b>Net block as at March 31, 2024</b>	<b>29.40</b>	<b>26.97</b>	<b>56.37</b>
<b>Net block as at March 31, 2023</b>	<b>23.79</b>	<b>43.52</b>	<b>67.31</b>

**Notes:****(i) Research and development expenses**

Refer note 42 for expenses incurred on research and development activities.

**NOTE - 5 INVESTMENTS**

	As at March 31, 2024	As at March 31, 2023
<b>A Investments</b>		
<b>(i) Investments in equity instruments</b>		
<b>Joint ventures *</b>		
<b>(Unquoted, at cost)</b>		
Nippon Leakless Talbros Private Limited Nil shares (March 31, 2023: 4,800,000 shares) of ₹ 10 each**	-	480.00
Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2023: 11,780,000 shares) of ₹ 10 each	1,178.00	1,178.00
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2023: 9,500,000 shares) of ₹ 10 each	950.00	950.00

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 5 INVESTMENTS (CONTD.)

	As at March 31, 2024	As at March 31, 2023
<b>Others</b>		
<b>(Unquoted, at fair value through other comprehensive income)</b>		
QH Talbro's Private Limited 177,962 shares (March 31, 2023: 177,962 shares) of ₹ 10 each	190.99	90.33
Talbro's International Private Limited 1,326,970 shares (March 31, 2023: 1,326,970 shares) of ₹ 10 each	13,393.24	5,325.93
T & T Motors Limited 83,333 shares (March 31, 2023: 83,333 shares) of ₹ 10 each	253.77	111.06
	<b>15,966.00</b>	<b>8,135.32</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	15,966.00	8,135.32
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2024	As at March 31, 2023
Nippon Leakless Talbro's Private Limited**	India	0.00%	40.00%
Marelli Talbro's Chassis Systems Private Limited	India	50.00%	50.00%
Talbro's Marugo Rubber Private Limited	India	50% less one share	50% less one share

\* Equity investments in joint ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

\*\* The disinvestment process in its Joint Venture "Nippon Leakless Talbro's Private Limited (NLTP)" completed on January 25, 2024 by selling its entire 40% in NLTP.

### NOTE - 6 LOANS - CURRENT

#### (Unsecured, considered good)

Inter-corporate deposits	270.43	388.20
	<b>270.43</b>	<b>388.20</b>

### NOTE - 7

#### A Other financial assets - non-current

##### (Unsecured, considered good)

Security deposits	244.60	151.68
Bank deposits with more than 12 months maturity*	6,821.55	128.15
	<b>7,066.15</b>	<b>279.83</b>

\*Under lien with banks amounting to ₹ 127.91 Lacs (Previous Year - ₹ 128.15 Lacs) as security against borrowings.

#### B Other financial assets - current

##### (Unsecured, considered good)

Recoverable from employees	15.23	39.01
Security deposits	27.87	27.67
Derivative assets on forward contracts	40.41	-
Claims and other recoverable	72.90	73.68
	<b>156.41</b>	<b>140.36</b>



## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**Note - 8**

<b>Non-current tax assets</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Advance income tax	4,044.19	1,741.53
Less: Provision for taxation	(3,718.89)	(1,517.48)
	<b>325.30</b>	<b>224.05</b>

**NOTE - 9****A Other non-current assets**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Prepaid expenses	8.30	6.18
Accrued lease income	23.82	3.86
Capital advances	638.18	354.26
	<b>670.30</b>	<b>364.30</b>

**B Other current assets**

Advances to suppliers		
- Considered good	673.79	605.07
- Considered doubtful	36.84	36.84
Balance with government authorities		
- Considered good	1,057.94	818.87
- Considered doubtful	123.10	123.10
Prepaid expenses	161.28	128.53
Insurance Claim receivables	16.29	-
Surplus planned assets	217.37	310.08
Accrued lease income	2.70	1.95
Others	291.43	1,113.08
	<b>2,580.74</b>	<b>3,137.52</b>
Less : Provision for doubtful advances	(159.94)	(159.94)
	<b>2,420.80</b>	<b>2,977.58</b>

**NOTE - 10 INVENTORIES**

<b>(Lower of cost or net realisable value)</b>		
Raw material	5,463.24	5,482.70
Work in progress	3,768.01	4,923.52
Finished goods including Stock in Trade	2,827.61	2,265.94
Stores and spares	618.33	581.05
	<b>12,677.19</b>	<b>13,253.21</b>
<b>i) The above includes goods in transit as under:</b>		
Raw material	1,264.34	1,343.66
Stores and spares	-	21.36
	<b>1,264.34</b>	<b>1,365.02</b>

**NOTE - 11 TRADE RECEIVABLES^**

Trade receivables - considered good, unsecured	21,032.75	16,853.21
Trade receivables - which have significant increase in credit risk	57.14	57.70
Trade receivables - credit impaired	511.85	330.69
	<b>21,601.74</b>	<b>17,241.60</b>
Less: Allowance for expected credit loss	(568.99)	(388.39)
	<b>21,032.75</b>	<b>16,853.21</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 11 TRADE RECEIVABLES^ (CONTD.)

	March 31, 2024	March 31, 2023
<b>Includes trade receivables from companies in which directors are interested<sup>^</sup></b>		
Talbro's Marugo Rubber Private Limited	33.05	31.82
QH Talbro's Private Limited	1,760.80	1,760.03
Talbro's Indiparts Private Limited	918.68	891.66

\*Refer note 43 for ageing details.

<sup>^</sup>Refer note 38 for related party transactions

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 36.

### NOTE - 12 CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Cash on hand	23.66	8.87
Balances with banks		
- in current accounts	105.70	415.74
Deposits with original maturity less than 3 months	106.69	103.80
	<b>236.05</b>	<b>528.41</b>

### NOTE - 13 OTHER BANK BALANCES

Deposits with maturity of not less than 3 months but not more than 12 months	3.80	3.18
Margin money deposits (under lien with banks)	254.61	244.51
Earmarked balances with banks		
- Unpaid dividend account	25.07	34.26
	<b>283.48</b>	<b>281.95</b>

### NOTE - 14 EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>i Authorised</b>				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
	<b>10,00,00,000</b>	<b>2,000.00</b>	<b>10,00,00,000</b>	<b>2,000.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	<b>6,17,28,150</b>	<b>1,234.56</b>	<b>6,17,28,150</b>	<b>1,234.56</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
Equity shares				
Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>6,17,28,150</b>	<b>1,234.56</b>	<b>6,17,28,150</b>	<b>1,234.56</b>

#### iv Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 14 EQUITY SHARE CAPITAL (CONTD.)****v Details of equity shares held by shareholders holding more than 5% shares in the Company**

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	%	No. of shares	%
<b>Name of the equity shareholders</b>				
Talbros International Private Limited	2,64,77,983	42.89%	2,64,67,635	42.88%

- vi** There are no shares issued for consideration other than cash and no shares have been bought back in last five years.
- vii** There are no shares reserved for issue under options or other purpose.
- viii** The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

**NOTE - 15 OTHER EQUITY**

	As at March 31, 2024	As at March 31, 2023
General reserve	898.23	848.23
Retained earnings	34,164.74	21,710.70
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	10,111.06	3,736.44
<b>Total other equity</b>	<b>49,867.54</b>	<b>30,988.88</b>

**Nature and purpose of other reserves****i General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

**ii Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**iii Capital reserve**

Capital reserve includes the amount of share application money forfeited by the Company.

**iv Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

**v Equity instruments through other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 16

#### A Long term borrowings

	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Term Loans</b>		
<b>From banks - Rupee loan</b>		
- HDFC bank	-	165.91
- Kotak Mahindra bank	-	20.75
- Yes bank	330.68	331.76
- Vehicle Loans	11.80	45.58
<b>From Others</b>		
- Vehicle loans	-	44.48
	<b>342.48</b>	<b>608.48</b>
<b>Amount disclosed under other financial liabilities and Short-term borrowings:</b>		
Current maturity of long-term debts	352.77	561.25
Interest accrued on borrowings	66.55	63.81

#### Notes:

- The Company has taken vehicle loans from banks and others. The amount is secured against moveable fixed assets.
- Term Loan from Kotak Mahindra Bank is secured by first charge on property, plant and equipment to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors.
- Term loan from HDFC Bank is secured by exclusive charge on all the property, plant and equipment purchased out of proceeds of term loan and is further secured by personal guarantee of two directors for takeover portion of TL from Bajaj Finserve only.
- Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
<b>Term loans, secured</b>				
<b>From banks - Rupee loan</b>				
HDFC Bank	Repayment with in 36 monthly instalment from the date of disbursement.	7.15% to 8.15%	-	165.91
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	7.10% to 7.10%	11.80	45.58

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 16 (CONTD.)**

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
Kotak Mahindra Bank	48 equal monthly installment after 12 months moratorium period from the date of first disbursement.	7.55% to 8.95%	-	20.75
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	8.50% to 9.50%	330.68	331.76
<b>From others:</b>				
Vehicle Loans	36 equal monthly installments from the date of loan	6.99% to 7.85%	-	44.48
			<b>342.48</b>	<b>608.48</b>

	As at March 31, 2024	As at March 31, 2023
<b>B Short term borrowings</b>		
Current maturity of long-term borrowings	352.77	561.25
<b>Secured</b>		
<b>a) Working capital loan from bank</b>		
HDFC Bank*	3,606.18	3,770.18
DBS Bank*	87.64	79.47
Yes Bank*	300.00	300.00
Axis Bank*	1,884.34	1,527.35
Federal Bank*	2,046.56	1,836.88
	<b>8,277.49</b>	<b>8,075.13</b>

**Notes:**

\* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

**Short-term borrowings (excluding current maturities of long-term borrowings)**

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
<b>Working capital loan, secured</b>				
HDFC Bank	Within 365 days	4.00% -9.85%	3,606.18	3,770.18
DBS Bank	Within 365 days	4.25%-9.05%	87.64	79.47
Yes Bank	Within 365 days	4.95% - 7.00%	300.00	300.00
Axis Bank	Within 365 days	6.25% -8.95%	1,884.34	1,527.35
Federal Bank	Within 365 days	4.00% - 8.95%	2,046.56	1,836.88
			<b>7,924.72</b>	<b>7,513.88</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 16 (CONTD.)

#### C Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings <sup>^</sup>	Total
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>1,169.73</b>	<b>7,528.81</b>	<b>8,704.17</b>
<b>Cash flow:</b>				
- Proceeds from Borrowings	-	136.93	403.91	<b>540.84</b>
- Additions	1,264.42	-	-	<b>1,264.42</b>
- Repayment (including matured deposits)	(53.07)	(611.41)	-	<b>(664.48)</b>
<b>Other non-cash movements:</b>				
- Accrual of interest on lease liabilities	33.30	-	-	<b>33.30</b>
<b>As at March 31, 2024</b>	<b>1,250.28</b>	<b>695.25</b>	<b>7,932.72</b>	<b>9,878.25</b>

<sup>^</sup>including unclaimed matured deposits

	As at March 31, 2024	As at March 31, 2023
<b>NOTE - 17</b>		
<b>A Lease liabilities - non-current</b>		
Lease liabilities	987.13	-
	<b>987.13</b>	-
<b>B Lease liabilities - current</b>		
Lease liabilities	263.15	5.63
	<b>263.15</b>	<b>5.63</b>

### NOTE - 18

#### A Other financial liabilities - non-current

Security deposits	25.13	22.89
	<b>25.13</b>	<b>22.89</b>

#### B Other financial liabilities - current

Derivative liability on forward contracts	-	37.30
Interest accrued on borrowings	66.55	63.81
Employee related payables	670.71	609.92
Security deposits	71.48	67.09
Unclaimed dividend	25.07	34.26
Unclaimed matured deposits	8.00	14.93
Other payables	22.57	12.45
	<b>864.38</b>	<b>839.76</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>NOTE - 19</b>		
<b>A Provisions - non-current</b>		
Employees' long-term benefits		
Compensated absences	211.87	198.43
	<b>211.87</b>	<b>198.43</b>

For movements in each class of provision during the financial year, refer note 41

<b>B Provisions - current</b>		
Employees' long-term benefits		
Compensated absences	132.75	120.68
	<b>132.75</b>	<b>120.68</b>

For movements in each class of provision during the financial year, refer note 41

<b>NOTE - 20</b>		
<b>Deferred tax liabilities</b>		
<b>Deferred tax liabilities arising on account of :</b>		
Depreciation	940.64	541.72
Equity instruments carried at FVOCI	3,070.86	1,134.81
Others	2.62	11.44
<b>Deferred tax asset arising on account of :</b>		
Allowance for doubtful debts and advances	132.75	138.00
Disallowances u/s 43B	534.68	96.76
	<b>3,346.69</b>	<b>1,453.21</b>

Particulars	March 31, 2023	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2024
<b>Deferred tax liability:</b>					
Depreciation	541.72	-	398.92	-	940.64
Equity instruments carried at FVOCI	1,134.81	-	-	1,936.05	3,070.86
Others	11.44	-	(8.82)	-	2.62
<b>Deferred tax asset:</b>					
Allowance for doubtful debts and advances	138.00	-	(5.25)	-	132.75
Disallowances u/s 43B	96.76	-	427.22	10.69	534.68
	<b>1,453.21</b>	-	<b>(31.87)</b>	<b>1,925.36</b>	<b>3,346.69</b>

**Note:**

	March 31, 2024	March 31, 2023
<b>(i) Breakup of amounts recognised in statement of profit and loss:</b>		
Recognised as part of:	(31.87)	(53.22)
- Deferred tax	<b>(31.87)</b>	<b>(53.22)</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 21

	As at March 31, 2024	As at March 31, 2023
<b>A Other non-current liabilities</b>		
Deferred income	3.39	5.59
Advance from customers	106.43	73.27
	<b>109.82</b>	<b>78.86</b>
<b>B Other current liabilities</b>		
Advance from customers <sup>^</sup>	440.69	285.00
Payable to statutory authorities	183.22	232.92
Deferred income	2.21	2.21
Amount payable government authorities	-	11.19
	<b>626.12</b>	<b>531.32</b>
<sup>^</sup> represents contract liabilities		
<b>Reconciliation of contract liabilities:</b>		
Contract liabilities at the beginning of the year	358.27	168.58
Less: performance obligations satisfied in current year	(96.16)	(95.32)
Add: advance received during the year	285.01	285.01
<b>Contract liabilities at the end of the year</b>	<b>547.12</b>	<b>358.27</b>

### NOTE - 22

#### Trade payables\*

Total outstanding dues of micro enterprises and small enterprises	847.81	305.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,920.15	16,586.20
	<b>16,767.96</b>	<b>16,892.11</b>

\*Refer note 38 for related party transactions and note 43 for ageing details.

The Company has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2024 and March 31, 2023:

Particulars	March 31, 2024	March 31, 2023
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	847.81	305.91
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-



## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 23 REVENUE FROM OPERATIONS**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from operations</b>		
Sale of products	72,927.59	60,645.73
Sale of services	-	33.43
Other operating income	4,899.09	4,039.16
	<b>77,826.68</b>	<b>64,718.32</b>
<b>Disaggregation of revenue:</b>		
Gaskets	47,034.26	40,215.94
Forgings	25,893.34	20,429.82
Management fees	-	33.40
Others	4,899.08	4,039.16
	<b>77,826.68</b>	<b>64,718.32</b>

Refer material accounting policy for information about the Company's performance obligations

**Note - 24 Other income**

Interest income on:		
- Inter corporate deposits	37.83	48.00
- Fixed deposits with banks	123.34	20.87
- Other financial assets at amortised cost	2.21	0.20
- Others	-	0.05
Dividend income from:		
- Related parties	467.63	90.76
Royalty	119.70	112.99
Lease rentals	245.31	213.82
Net gain on foreign currency transactions	212.42	-
Profit on sale of property, plant and equipment (net)	74.43	43.17
Other non-operating income	94.60	90.09
	<b>1,377.47</b>	<b>619.95</b>

**NOTE - 25 COST OF MATERIALS CONSUMED**

Opening inventory	5,482.70	4,490.24
Add: Purchases	41,139.37	36,309.48
	<b>46,622.07</b>	<b>40,799.72</b>
Less: Closing inventory	5,463.24	5,482.70
	<b>41,158.83</b>	<b>35,317.02</b>
<b>Cost of raw materials consumed include:</b>		
Tinplate/P.C.R.C.A/steel/copper	9,665.50	8,893.99
Jointing	8,598.05	7,918.76
Forging steels	13,170.58	10,907.39
Bought out auto components and parts	6,456.06	4,869.50
Others	3,268.64	2,727.38
	<b>41,158.83</b>	<b>35,317.02</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 26 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Purchase of stock-in-trade</b>		
Dyna bond	495.76	496.91
	<b>495.76</b>	<b>496.91</b>

### NOTE - 27

<b>Change in inventories of finished goods, work in progress and stock-in-trade</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade)	2,827.61	2,265.94
Work-in-progress	3,768.01	4,923.52
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade)	2,265.94	2,214.53
Work-in-progress	4,923.52	4,273.28
<b>Net decrease</b>	<b>593.84</b>	<b>(701.65)</b>

### NOTE - 28

<b>Employee benefits expense</b>		
Salaries and wages	7,238.76	6,268.21
Contributions to provident and other fund	324.94	287.31
Staff welfare expenses	548.20	513.87
	<b>8,111.90</b>	<b>7,069.39</b>

### NOTE - 29

<b>Finance costs</b>		
Interest on borrowings	1,192.29	1,041.68
Interest on lease liabilities	33.29	1.12
Interest on others	2.15	1.95
Other borrowing cost	98.81	91.12
	<b>1,326.54</b>	<b>1,135.87</b>

### NOTE - 30

<b>Depreciation and amortisation expense</b>		
Depreciation on:		
- Property plant and equipment <sup>^</sup>	2,585.81	2,371.70
- Investment property	16.66	15.82
Amortisation of:		
- Intangible assets	32.31	41.16
	<b>2,634.78</b>	<b>2,428.68</b>
Less: depreciation capitalised	43.69	56.34
	<b>2,591.09</b>	<b>2,372.34</b>

<sup>^</sup>Includes depreciation on right of use assets ₹ 77.66 Lacs (previous year ₹ 16.57 Lacs )

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 31**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Other expenses</b>		
Consumption of stores and spares parts	5,834.15	4,552.42
Labour and processing charges	874.86	779.82
Royalty	37.67	35.36
Power and fuel	2,427.80	2,002.36
Rent	15.71	19.94
Repairs to buildings	114.93	176.33
Repairs to plant & machinery	671.58	629.04
Repairs to other assets	260.41	257.83
Insurance	190.39	175.21
Travelling, tour & conveyance	1,003.17	782.47
Sales promotion expenses	245.12	317.30
Packing, freight & forwarding	3,088.77	2,899.77
Rates and taxes	28.60	24.70
Corporate social responsibility expenditure	88.32	48.12
Allowance for doubtful trade receivables/advances	180.61	146.65
Advances written off	15.62	180.60
Provisions no longer required written back	-	(180.60)
Legal and professional	249.41	199.34
Payment to auditors:		
- <b>As Auditors:</b>		
Audit fee	14.73	14.73
Tax audit fee	2.00	2.00
- <b>In other capacity:</b>		
Limited review	3.00	3.00
Other services	0.28	0.28
Out of pocket expenses	3.25	2.80
Donation	11.24	-
Net loss on foreign currency transactions	-	127.30
Miscellaneous expenses	639.56	610.22
	<b>16,001.17</b>	<b>13,806.99</b>

**i Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- Gross amount required to be spent by the Company during the year is ₹ 88.32 Lacs (March 31, 2023: ₹ 48.12 Lacs).
- Amount spent during the financial year ended March 31, 2024 and March 31, 2023 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2024	-	-	-
	March 31, 2023	-	-	-
Donation paid to charitable trust	March 31, 2024	88.32	-	88.32
	March 31, 2023	48.12	-	48.12

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 32 EXCEPTIONAL ITEMS

	Year ended March 31, 2024	Year ended March 31, 2023
Profit on sale of investment in joint venture	7,700.00	-
Less: expenses incurred in relation to the sale of investment	(46.52)	-
	<b>7,653.48</b>	-

During the quarter ended March 31, 2024, the Company has completed the process of divesting and selling its entire 40% stake in Its Joint Venture "Nippon Leakless Talbros Private Limited" Constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The Company has disclosed net gain from the transaction as an exceptional item in the financial statements after considering carrying amount of investment and expenses in relation to the transaction. The capital gain tax on sale of investment has been disclosed as part of the tax expense.

### NOTE - 33 INCOME TAX

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Tax expense comprises of:</b>		
Current tax	3,718.89	1,517.48
Deferred tax charge	(31.87)	(53.22)
Earlier years tax adjustments (net)	(14.74)	6.81
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,672.28</b>	<b>1,471.07</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168 % and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>16,578.50</b>	<b>5,841.40</b>
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	4,172.48	1,470.17
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Impact of different rate of tax	(153.87)	-
Earlier years tax adjustments (net)	(14.74)	6.81
Others	(331.59)	(5.91)
<b>Income tax expense</b>	<b>3,672.28</b>	<b>1,471.07</b>

### NOTE - 34

<b>EARNINGS PER SHARE (EPS)</b>		
Profit attributable to equity shareholders	12,906.22	4,370.33
Profit attributable to equity shareholders adjusted for the effect of dilution	12,906.22	4,370.33
Weighted average number of equity shares for Basic EPS	6,17,28,150	6,17,28,150
Weighted average number of equity shares for Diluted EPS	6,17,28,150	6,17,28,150
(1) Basic *	20.91	7.08
(2) Diluted *	20.91	7.08

\* EPS for the previous year has been restated due to adjustment of share split

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 35****Fair value disclosures****(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>March 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments at FVOCI	-	-	13,838.00	13,838.00
Derivative assets on forward contracts	-	40.41	-	40.41
<b>Total financial assets</b>	<b>-</b>	<b>40.41</b>	<b>13,838.00</b>	<b>13,878.41</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments at FVOCI	-	-	5,527.32	5,527.32
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>5,527.32</b>	<b>5,527.32</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	37.30	-	37.30
<b>Total financial liabilities</b>	<b>-</b>	<b>37.30</b>	<b>-</b>	<b>37.30</b>

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

**(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.**

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023	1% increase in inputs	1% decrease in inputs
Unquoted equity shares	13,838.00	5,527.32	Terminal growth rate	5%	5%	March 31, 2024: ₹ 14,201 Lacs March 31, 2023: - ₹ 5,736 Lacs	March 31, 2024: ₹ 13,529 Lacs March 31, 2023: - ₹ 5,384 Lacs

\*Sensitivity has been considered for mentioned inputs, keeping the other variables constant

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 35 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	Equity shares
<b>As at March 31, 2022</b>	<b>3,838.14</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,689.18
<b>As at March 31, 2023</b>	<b>5,527.32</b>
Disposal during the year	-
Gain recognised in other comprehensive income	8,310.68
<b>As at March 31, 2024</b>	<b>13,838.00</b>

(vi) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2024		March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	244.60	244.60	151.68	151.68
Other financial assets	Level 3	6,821.55	6,821.55	128.15	128.15
<b>Total financial assets</b>		<b>7,066.15</b>	<b>7,066.15</b>	<b>279.83</b>	<b>279.83</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	761.80	761.80	1,233.54	1,233.54
Other financial liabilities	Level 3	25.13	24.53	22.89	22.35
<b>Total financial liabilities</b>		<b>786.93</b>	<b>786.33</b>	<b>1,256.43</b>	<b>1,255.89</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2024 was assessed to be insignificant.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT****(i) Financial instruments by category**

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	-	13,838.00	-	-	5,527.32	-
Trade receivables	-	-	21,032.75	-	-	16,853.21
Loans	-	-	270.43	-	-	388.20
Cash and cash equivalents	-	-	236.05	-	-	528.41
Other bank balances	-	-	283.48	-	-	281.95
Other financial assets	40.41	-	6,909.68	-	-	240.84
Security deposits	-	-	272.47	-	-	179.35
<b>Total financial assets</b>	<b>40.41</b>	<b>13,838.00</b>	<b>29,004.86</b>	<b>-</b>	<b>5,527.32</b>	<b>18,471.96</b>
<b>Financial liabilities</b>						
Borrowings	-	-	8,686.52	-	-	8,747.42
Lease liabilities	-	-	1,250.28	-	-	5.63
Trade payables	-	-	16,767.96	-	-	16,892.11
Other financial liabilities	-	-	822.96	37.30	-	761.54
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>27,527.72</b>	<b>37.30</b>	<b>-</b>	<b>26,406.70</b>

\*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

**(ii) Risk management framework**

The Company's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

#### (A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions

#### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2024	March 31, 2023
A: Low	Loans	270.43	388.20
	Other financial assets	7,182.15	420.18
	Cash and cash equivalents	236.05	528.41
	Other bank balances	283.48	281.95
B: Medium	Trade receivables	21,601.74	17,241.60

#### *Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### *Trade receivables*

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

#### *Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.



## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)**

## b) Expected credit losses

*Trade receivables*

- (i) The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2024		March 31, 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	20,827.31	774.43	16,540.11	701.49
Expected loss rate	2.60%	3.50%	2.23%	2.80%
Expected credit loss (loss allowance provision)	541.87	27.12	368.72	19.67

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on March 31, 2022</b>	<b>402.59</b>
Less: Changes in loss allowances	(14.20)
<b>Loss allowance on March 31, 2023</b>	<b>388.39</b>
Less: Changes in loss allowances	180.60
<b>Loss allowance on March 31, 2024</b>	<b>568.99</b>

*Other financial assets measured at amortised cost*

Company provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates."

**Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023
Expiring within one year (cash credit and other facilities)	664.00	794.00
Expiring beyond one year (bank loans - floating rate)	-	-

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2024	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,323.99	381.30	9.00	8,714.29
Security deposit received	71.48	7.99	17.14	96.61
Trade payable	16,767.96	-	-	16,767.96
Other financial liabilities	792.90	-	-	792.90
<b>Total</b>	<b>25,956.33</b>	<b>389.29</b>	<b>26.14</b>	<b>26,371.76</b>

March 31, 2023	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,151.64	593.00	92.79	8,837.43
Security deposit received	67.09	7.30	15.59	89.98
Trade payable	16,892.11	-	-	16,892.11
Other financial liabilities	772.67	-	-	772.67
<b>Total</b>	<b>25,883.51</b>	<b>600.30</b>	<b>108.38</b>	<b>26,592.19</b>

#### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited.

#### Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2024	March 31, 2023
<b>Import trade payables:</b>		
CNY (in Lacs)	2.71	-
₹ (₹ in Lacs)	31.47	-
EURO (in Lacs)	3.73	10.31
₹ (₹ in Lacs)	336.40	922.84
US\$ (in Lacs)	40.18	51.89
₹ (₹ in Lacs)	3,351.23	4,268.22
GBP (in Lacs)	0.28	0.15
₹ (₹ in Lacs)	29.11	15.07
JPY (in Lacs)	481.84	268.25
₹ (₹ in Lacs)	265.45	165.78

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)**

Particulars	March 31, 2024	March 31, 2023
<b>Export trade receivables:</b>		
EURO (in Lacs)	25.75	26.27
₹ (₹ in Lacs)	2,317.98	2,351.17
US\$ (in Lacs)	20.62	20.96
₹ (₹ in Lacs)	1,719.12	1,723.68
GBP (in Lacs)	0.26	0.64
₹ (₹ in Lacs)	27.08	64.72

The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2024	March 31, 2023
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	21.00	18.50
₹ (₹)	1,890.00	1,655.94
US\$ (in Lacs)	4.50	17.75
₹ (₹)	375.98	1,459.76

All the above contracts are maturing within one year.

**Sensitivity**

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial assets</b>					
5% movement (previous year 1%)	EURO	(74.14)	(53.44)	74.14	53.44
4% movement (previous year 4%)	US\$	48.85	76.17	(48.85)	(76.17)
5% movement (previous year 1%)	YEN	9.93	6.20	(9.93)	(6.20)

## (ii) Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowing	8,608.17	8,593.55
Fixed rate borrowing	11.80	90.06
<b>Total borrowings</b>	<b>8,619.97</b>	<b>8,683.61</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(32.21)	(32.15)
Interest rates – decrease by 50 basis points	32.21	32.15

#### iii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### iv) Price risk

##### Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Particulars	March 31, 2024	March 31, 2023
Investments carried at fair value through other comprehensive income	13,838.00	5,527.32
<b>Total investments</b>	<b>13,838.00</b>	<b>5,527.32</b>

#### Sensitivity

Refer note 35(iv) for sensitivity analysis.

### NOTE - 37

#### A Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at March 31, 2024 was as follows.

Particulars	March 31, 2024	March 31, 2023
<b>Total borrowings</b>	<b>8,686.52</b>	<b>8,747.41</b>
Less : cash and cash equivalents	236.05	528.41
<b>Net debt</b>	<b>8,450.47</b>	<b>8,219.00</b>
Total equity	51,102.10	32,223.44
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.17</b>	<b>0.26</b>

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 37 (CONTD.)****B Dividend**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Proposed dividend</b>		
Proposed dividend for the year ended March 31, 2024 - ₹ 0.50 per share (March 31, 2023 - ₹ 0.40 per share)	308.64	246.91
<b>Final dividend paid</b>		
Final and interim dividend paid during the year ended March 31, 2024 - ₹ 0.60 per share (March 31, 2023 - ₹ 0.50 per share)	370.36	308.64

**NOTE - 38****Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) **Parties where control exists:****Jointly controlled entities**

- (i) Nippon Leakless Talbros Private Limited (Ceased to be related party wef January 25, 2024)
- (ii) Marelli Talbros Chassis Systems Private Limited
- (iii) Talbros Marugo Rubber Private Limited

**Investing party in respect of which the Company is a subsidiary**

- (i) Talbros International Private Limited

**Key management personnel and their relatives**

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Anil Kumar Mehra
- (ix) Mr. Tarun Singhal
- (x) Mr. Amit Burman
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 38 (CONTD.)

#### Fellow Subsidiaries

- (i) QH Talbro's Private Limited
- (ii) Talbro's Indiparts Private Limited

#### (ii) Transactions with related parties carried out in the ordinary course of business:

##### (a) Transactions with joint ventures and fellow subsidiaries

S. No.	Particulars	2023-24	2022-23
<b>1</b>	<b>Sale of goods</b>		
	QH Talbro's Private Limited	8,847.04	6,511.14
	Talbro's Indiparts Private Limited	4,118.00	3,593.61
	Nippon Leakless Talbro's Private Limited	43.90	39.33
	Talbro's Marugo Rubber Private Limited	211.23	38.37
	Marelli Talbro's Chassis Systems Private Limited	-	0.16
<b>2</b>	<b>Sale of services</b>		
	Talbro's Marugo Rubber Private Limited	35.40	35.40
	Talbro's Indiparts Private Limited	-	2.36
<b>3</b>	<b>Purchase of services</b>		
	Talbro's Indiparts Private Limited	-	-
<b>4</b>	<b>Royalty income</b>		
	QH Talbro's Private Limited	124.09	124.30
	Talbro's Indiparts Private Limited	17.15	9.02
<b>5</b>	<b>Purchase of goods</b>		
	Nippon Leakless Talbro's Private Limited	3.21	73.07
	Talbro's Marugo Rubber Private Limited	-	1.08
<b>6</b>	<b>Lease rental income</b>		
	Marelli Talbro's Chassis Systems Private Limited	218.79	208.37
	Talbro's Indiparts Private Limited	17.17	16.35
<b>7</b>	<b>Reimbursement of expenses/payments</b>		
	Marelli Talbro's Chassis Systems Private Limited	114.72	96.98
	Talbro's Marugo Rubber Private Limited	0.20	3.23
	Talbro's International Private Limited	6.64	8.77
	QH Talbro's Private Limited	4.54	32.53
	Talbro's Indiparts Private Limited	10.42	42.26
<b>8</b>	<b>Dividend paid</b>		
	Talbro's International Private Limited	158.81	132.02
<b>9</b>	<b>Dividend received</b>		
	Talbro's International Private Limited	261.41	55.73
	QH Talbro's Private Limited	80.08	26.69
	Marelli Talbro's Chassis Systems Private Limited	117.80	-

**Note: All transactions are inclusive of taxes, wherever applicable**

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 38 (CONTD.)**

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

S. No.	Balance Outstanding at the end of the year	March 31, 2024	March 31, 2023
<b>1</b>	<b>Outstanding balance included in financial assets (Trade receivable and other recoverable)</b>		
	Talbro's Marugo Rubber Private Limited	33.05	31.82
	Nippon Leakless Talbro's Private Limited*	26.76	-
	QH Talbro's Private Limited	1,760.80	1,760.03
	Talbro's Indiparts Private Limited	918.68	891.66
<b>2</b>	<b>Outstanding balance included in financial liabilities</b>		
	Nippon Leakless Talbro's Private Limited	-	6.92
	Marelli Talbro's Chassis Systems Private Limited	22.26	22.26
	Talbro's Marugo Rubber Private Limited	-	-
	Talbro's Indiparts Private Limited	-	-

\* Represents balance as on January 25, 2024

**(b) Transactions with key management personnel and their relatives :**

S. No.	Particulars	2023-24	2022-23
<b>1</b>	<b>Remuneration</b>		
	<b>Short-term employee benefits</b>		
	Mr. Umesh Talwar	181.80	163.13
	Mr. Anuj Talwar	181.80	139.70
	Mr. Manish Khanna	55.46	52.40
	Ms. Seema Narang	37.24	36.28
	<b>Other long-term benefits</b>		
	Mr. Umesh Talwar	2.81	(0.19)
	Mr. Anuj Talwar	0.75	(0.16)
	Mr. Manish Khanna	0.91	0.85
	Ms. Seema Narang	2.45	0.59
	<b>Post-employment benefits</b>		
	Mr. Umesh Talwar	30.18	16.23
	Mr. Anuj Talwar	17.88	13.03
	Mr. Manish Khanna	3.38	3.02
	Ms. Seema Narang	4.12	3.11
	<b>Fee for attending board &amp; committee meetings to all the KMP's</b>	10.65	11.10
<b>2</b>	<b>Rent paid</b>		
	Mrs. Kum Kum Talwar	7.20	7.20

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 39

#### Contingent liabilities and commitments (to the extent not provided for)

##### A Contingent liabilities

(1) Claims against the Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2024	March 31, 2023
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	38.67	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	40.74	50.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
<b>Total</b>		<b>452.86</b>	<b>462.86</b>

\*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 251.25 Lacs (March 31, 2023: ₹ 207.89 Lacs).

##### B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 1446.79 Lacs (March 31, 2023: ₹ 1875.11 Lacs).

### NOTE - 40

(i) Leases disclosure as lessee

#### Operating leases

**A** The Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The Company is prohibited from selling or pledging the underlying leased assets as security.

**B** Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2024	March 31, 2023
Non-current	987.13	-
Current	263.15	5.63
<b>Total</b>	<b>1,250.28</b>	<b>5.63</b>

**C** The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	2-9	5.31
Land	2	68-74	71.20



## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 40 (CONTD.)****D Future minimum lease payments as on March 31, 2024 are as follows:**

Particulars	As at March 31, 2024			As at March 31, 2023		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
<b>Minimum lease payments due</b>						
Within 1 year	280.62	103.91	176.71	5.74	0.11	5.63
1-5 years	1,163.09	222.65	940.44	-	-	-
5 years or more	155.61	22.48	133.13	-	-	-
	<b>1,599.32</b>	<b>349.04</b>	<b>1,250.28</b>	<b>5.74</b>	<b>0.11</b>	<b>5.63</b>

**E Lease payments not recognised as a liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2024	March 31, 2023
Short term leases	15.71	19.94
Leases of low value assets	-	-
Variable lease payments	-	-
<b>Total</b>	<b>15.71</b>	<b>19.94</b>

**F Additional information on the right-of-use assets by class of assets is as follows:**

Particulars	Carrying amount	Depreciation expense
<b>As on March 31, 2023</b>		
Vehicles	-	0.55
Building	5.32	11.42
Land	346.77	4.60
	<b>352.09</b>	<b>16.57</b>
<b>As on March 31, 2024</b>		
Vehicles	-	-
Building	1,276.52	73.06
Land	342.17	4.60
	<b>1,618.69</b>	<b>77.66</b>

**(ii) Leases disclosure as lessor****Operating leases**

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 245.31 Lacs (March 31, 2023: ₹ 213.82 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 24). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2024	March 31, 2023
Within one year	233.51	222.39
Later than one year but not later than five years	453.88	639.22
Later than five years	-	-

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 41

#### Employee benefits

##### 1 Defined contribution plans:

- A** The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

**Provident Fund Plan & Employee Pension Scheme:** The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

**Superannuation Scheme:** The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

- B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2024	March 31, 2023
(a) Employer's contribution to Provident fund & other funds	251.01	224.56
(b) Employer's contribution to superannuation fund	7.33	8.02

##### 2 Other Long Term Employee Benefits

###### A Compensated absences- Earned leave

###### Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

###### i) Amounts recognised in the balance sheet

Particulars	March 31, 2024	March 31, 2023
Present value of obligation at the end of the year	344.62	319.11
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(344.62)	(319.11)

###### ii) Expenses recognised in statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current service cost	106.82	94.35
Interest cost	20.84	19.97
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(15.07)	(4.62)
- Changes in experience adjustment	(15.18)	(35.41)
<b>Cost recognised during the year</b>	<b>97.41</b>	<b>74.29</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 41 (CONTD.)****iii) Movement in the liability recognised in the balance sheet is as under:**

Particulars	March 31, 2024	March 31, 2023
Present value of defined benefit obligation at the beginning of the year	319.11	307.59
Current service cost	106.82	94.35
Interest cost	20.84	19.97
Actuarial (gain)/loss net	(30.25)	(40.03)
Benefits paid	(71.90)	(62.77)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>344.62</b>	<b>319.11</b>

**iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:**

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.36%
Salary escalation rate	5.5/20%	6.00%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

**3 Defined benefit plans:****A Gratuity****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**i) Amounts recognised in the balance sheet**

Particulars	March 31, 2024	March 31, 2023
Present value of obligation at the end of the year	854.81	810.56
Fair value of plan assets	1,072.18	1,120.64
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	217.37	310.08

**ii) Expenses recognised in other comprehensive income**

Particulars	March 31, 2024	March 31, 2023
Return on plan assets	(2.79)	3.17
Actuarial (gain)/loss on PBO	45.31	(34.42)
(Gain)/expenses recognised in other comprehensive income	<b>42.52</b>	<b>(31.25)</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 41 (CONTD.)

#### iii) Actuarial (gain)/loss on obligation

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(35.06)	(6.92)
- Changes in experience adjustment	80.37	(27.50)

#### iv) Expenses recognised in statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current service cost	73.01	63.00
Interest cost (net)	(22.82)	(19.56)
<b>Cost recognised during the year</b>	<b>50.19</b>	<b>43.44</b>

#### v) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2024	March 31, 2023
Present value of defined benefit obligation at the beginning of the year	810.56	783.90
Current service cost	73.01	63.00
Interest cost	54.91	54.63
Actuarial (gain)/loss net	45.32	(34.42)
Benefits paid	(128.99)	(56.55)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>854.81</b>	<b>810.56</b>

#### vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:

Particulars	March 31, 2024	March 31, 2023
Present value of plan assets at the beginning of the year	1,120.64	1,002.67
Return on plan assets	80.53	71.02
Contributions by employer	-	103.50
Benefits paid during the year	(128.99)	(56.55)
<b>Present value of plan assets at the end of the year</b>	<b>1,072.18</b>	<b>1,120.64</b>

#### vii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.36%
Salary escalation rate	6.00%	6.00%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

#### vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2024	For the year ended March 31, 2023	March 31, 2024	March 31, 2023
April 2024- March 2025	April 2023- March 2024	263.35	272.59
April 2025- March 2029	April 2024- March 2028	182.23	192.28
April 2029- March 2034	April 2028- March 2033	271.72	208.34
April 2034 onwards	April 2033 onwards	899.72	864.79

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 41 (CONTD.)****vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)**

For the year ended March 31, 2024	For the year ended March 31, 2023	March 31, 2024	March 31, 2023
April 2024- March 2025	April 2023- March 2024	265.97	274.91
April 2025- March 2029	April 2024- March 2028	229.00	236.89
April 2029- March 2034	April 2028- March 2033	510.96	387.99
April 2034 onwards	April 2033 onwards	3,094.03	2,733.17

**viii) Sensitivity analysis for defined benefit obligation**

Particulars	March 31, 2024	March 31, 2023
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	800.65	761.39
Impact due to decrease of 1.00 %	917.08	867.27
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	932.75	867.48
Impact due to decrease of 1.00 %	788.10	760.37

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 13 to 19 years (March 31, 2023: 13 to 19 years).

**NOTE - 42**

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2024 is ₹ 304.10 Lacs (March 31, 2023: ₹ 258.87 Lacs).

**NOTE - 43****Disclosures as per the requirements of Division II of Schedule III to the Act****A Ageing schedule of capital work-in-progress**

March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.81	32.16	1.80	-	<b>734.77</b>
March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	473.57	4.16	-	-	<b>477.73</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 43 (CONTD.)

#### B Ageing schedule of trade receivables

March 31, 2024	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	16,402.24	4,170.00	255.07	262.58	-	-	21,089.89
Undisputed trade receivables - credit impaired	-	-	-	41.97	270.63	199.25	511.85
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Gross Trade Receivable</b>	<b>16,402.24</b>	<b>4,170.00</b>	<b>255.07</b>	<b>304.55</b>	<b>270.63</b>	<b>199.25</b>	<b>21,601.74</b>
Less: Allowance for expected credit loss							568.99
<b>Total</b>							<b>21,032.75</b>

March 31, 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	14,023.44	2,345.09	171.58	370.80	-	-	16,910.91
Undisputed trade receivables - credit impaired	-	-	-	63.13	106.39	142.03	311.55
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Gross Trade Receivable</b>	<b>14,023.44</b>	<b>2,345.09</b>	<b>171.58</b>	<b>433.93</b>	<b>106.39</b>	<b>161.17</b>	<b>17,241.60</b>
Less: Allowance for expected credit loss							388.39
<b>Total</b>							<b>16,853.21</b>

#### C Ageing schedule of trade payables

March 31, 2024	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	847.81	-	-	-	-	847.81
Others	13,033.66	2,853.20	11.71	18.25	3.33	15,920.15
<b>Total</b>	<b>13,881.47</b>	<b>2,853.20</b>	<b>11.71</b>	<b>18.25</b>	<b>3.33</b>	<b>16,767.96</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 43 (CONTD.)**

March 31, 2023	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	305.91	-	-	-	-	305.91
Others	13,616.45	2,879.29	84.99	5.47	-	16,586.20
<b>Total</b>	<b>13,922.36</b>	<b>2,879.29</b>	<b>84.99</b>	<b>5.47</b>	<b>-</b>	<b>16,892.11</b>

**D Details of promoter shareholding**

Name of promoter	March 31, 2024			March 31, 2023		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbros International Private Limited	2,64,77,983	42.89%	0.04%	2,64,67,635	42.88%	0.42%

**E Details related to borrowings secured against current assets**

The Company had given current assets (trade receivables and inventories) as security for working capital limits obtained from multiple banks. The Company submitted the required information with the bank and the required reconciliation is presented below:

Particulars	Quarter	Amount as per books	Amount reported to the bank	Difference	Remarks
Trade receivable (gross balance)	June-2023	17,809.09	18,011.72	(202.63)	Variance is not material.
Inventories	June-2023	13,527.68	13,215.23	312.45	Variance is not material.
Trade receivable (gross balance)	September-2023	21,139.73	18,732.58	2,407.15	Variance is not material.
Inventories	September-2023	13,020.15	13,291.67	(271.52)	Variance is not material.
Trade receivable (gross balance)	December-2023	18,893.45	20,712.61	(1,819.16)	Variance is not material.
Inventories	December-2023	13,189.37	12,781.78	407.59	Variance is not material.
Trade receivable (gross balance)	March - 2024	21,032.75	21,032.75	-	Variance is not material.
Inventories	March - 2024	12,597.11	12,615.93	(18.82)	Variance is not material.

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 43 (CONTD.)

#### F Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	1.38	1.30	5.84%	Note 'A' below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.17	0.27	(37.41%)	Note 'B' below
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalised) + Principal repayment (including prepayments)	8.83	4.02	119.65%	Note 'B' below
Return on equity ratio	Percentage	Profit after tax	Average of total equity	30.98%	14.80%	109.34%	Note 'C' below
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	3.17	2.86	10.92%	Note 'A' below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	4.11	4.04	1.57%	Note 'A' below
Trade payables turnover ratio	Times	Purchases + other expenses	Average trade payables	3.42	3.14	8.96%	Note 'A' below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	7.67	8.13	(5.67%)	Note 'A' below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	16.58%	6.75%	145.57%	Note 'C' below
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = Profit/loss before tax + Depreciation and amortisation expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	31.82%	21.92%	45.21%	Note 'C' below



## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 43 (CONTD.)**

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Change	Remarks
				Ratio	Ratio		
Return on fixed deposit	Percentage	Interest Income on deposits with Banks and NBFC	Average investment (Fixed Deposit)	7.08%	4.49%	57.64%	Note 'D' below
Return on investment in equity shares (other than carried at cost)	Percentage	Change in fair value of investments during the year	Opening market value of the investments	150.36%	44.01%	241.64%	Note 'E' below

**Notes:**

- A Since the change in ratio is less than 25%, no explanation is required to be furnished.
- B On account of reduction in debt and repayment thereof due to availability of internally generated cash in the current year. Further, the profit of the Company has increased on account of overall performance leading to improved ratios.
- C On account of the exceptional gain on sale of investment in one of the joint venture entity.
- D On account of investing the exceptional gain on sale of investment in high return term deposits.
- E On account of increase in the fair value of investments (other than those carried at cost) made by the Company.

**NOTE - 44****Segment information**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

**i Information about major customers**

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

**ii Information about geographical areas**

Particulars	March 31, 2024	March 31, 2023
<b>Revenue from operations attributed to:</b>		
Country of domicile (India)	55,176.61	46,248.19
Foreign countries	22,650.07	18,470.13
<b>Total</b>	<b>77,826.68</b>	<b>64,718.32</b>

## Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 45

Disclosure required under Section 186 (4) of The Companies Act, 2013:

#### (a) Investments made:

Name of the investee	Amount invested during the year 2023-24	Amount as on March 31, 2024	Amount invested during the year 2022-23	Amount as on March 31, 2023
<b>Investment in equity instruments</b>				
<b>Investment in Joint ventures</b>				
(i) Nippon Leakless Talbros Private Limited	-	-	-	480.00
(ii) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
<b>Investment in others</b>				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
<b>Total</b>	<b>-</b>	<b>2,784.07</b>	<b>-</b>	<b>3,264.07</b>

#### (b) Inter corporate deposits given (proposed to be utilised for business purposes):

Name of the payee	Paid/ (recovered) during the year 2023-24	Outstanding amount as on March 31, 2024*	Paid/ (recovered) during the year 2022-23	Outstanding amount as on March 31, 2023*
(i) Fastech Builders Private Limited	(45.00)	-	-	45.00
(ii) Fastech Projects Private Limited	(15.00)	-	(25.00)	15.00
(iii) Bankey Bihari Engineers LLP	(10.00)	75.00	(15.00)	85.00
(iv) Express Engineers & Spares Private Limited	(35.00)	165.00	-	200.00
<b>Total</b>	<b>(105.00)</b>	<b>240.00</b>	<b>(40.00)</b>	<b>345.00</b>

\* Outstanding amount excludes interest accrued on deposits.

#### (c) Guarantee given (proposed to be utilised for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2024	Outstanding amount as on March 31, 2023
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

**Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)**

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 46**

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Company has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Company does not have any transactions with companies struck off.
- (ix) The Company has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

**For J.C Bhalla & Co**Chartered Accountants  
Firm Registration No.: 001111Nper **Akhil Bhalla**  
Partner  
Membership No. 505002Place: Gurugram  
Date: May 22, 2024**For and on behalf of Talbros Automotive Components Limited****Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]**Manish Khanna**  
Chief Financial Officer**Seema Narang**  
Company Secretary

**CONSOLIDATED  
FINANCIAL STATEMENTS**

# INDEPENDENT AUDITORS' REPORT

## To the Members of

### Talbro Automotive Components Limited

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Consolidated financial statements of **Talbro Automotive Components Limited** ("the Company") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement for Cash Flow for the year ended on that date, and notes to the financial statement including summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the company and its jointly controlled entities as at March 31, 2024, its consolidated profit and total comprehensive income, its consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the

ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

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

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

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information

## Independent Auditors' Report (Contd.)

is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

The respective Board of Directors of the company and its jointly controlled entities are also responsible for overseeing the financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company and its jointly controlled entities which is a company incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company and its jointly controlled entities to continue as a going concern. If we conclude that material uncertainty exists,

## Independent Auditors' Report (Contd.)

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the company of which we are the independent auditor and such other entities included in the statement regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The consolidated financial statements include the company's share of net profit (including other comprehensive income) of Rs. 1,613.28 lakhs for the year ended March 31, 2024, in respect of jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

### Report on Other Legal and Regulatory Requirements

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

## Independent Auditors' Report (Contd.)

- (e) On the basis of written representations received as on March 31, 2024, taken on record by the Board of Directors of the company and its jointly controlled entities incorporated in India, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its Jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements of those companies.
- (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. However, the provisions of section 197 of the Act are not applicable to jointly controlled entities.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities. (Refer Note 40(i) & 41 to the consolidated financial statements).
- (ii) The Company and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities during the year ended March 31, 2024.
- (iv) (a) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such jointly controlled entities to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever



**Independent Auditors' Report (Contd.)**

- by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 37(B) to the consolidated financial statements:
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year, is in accordance with Section 123 of the Act, as applicable.
- b. The interim dividend declared and paid by the Company during the year complies with Section 123.
- c. The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (vi) The Company used two different accounting software namely Oracle Platform-based ERP Software and Integral Infogen Technology Private Limited (ERP 10 G) for maintaining its books of account for the financial year ended March 31, 2024.
- a. Oracle Platform-based ERP software has feature of recording audit trail (edit log) facility implemented from April 01, 2023 and the same has operated throughout the year for all relevant transactions recorded in the software.
- b. Integral Infogen Technology Private Limited (ERP 10 G) software has a feature of recording audit trail (edit log) facility implemented from May 01, 2023 and the same has subsequently operated throughout the year for all relevant transactions recorded in the Finance module of the software.
- Further, its joint ventures incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and has operated throughout the year for all relevant transactions recorded in the software.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- 2) With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For J. C. Bhalla & Co.**  
Chartered Accountants  
Firm's Registration No. 001111N

**(Akhil Bhalla)**  
Partner  
Membership No. 505002  
UDIN: 24505002BKBYAY5252

Place: Gurugram  
Dated: May 22, 2024

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

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

**Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of Talbro’s Automotive Components Limited (hereinafter referred to as “the Company”) and its jointly controlled entities, which are companies incorporated in India, as of that date.

## **Management’s Responsibility for Internal Financial Controls**

The respective board of Directors of the Company and its jointly controlled entities which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“The ICAI”).

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

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the company and its jointly controlled entities, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the

extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the company and its jointly controlled entities, which are companies incorporated in India.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

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

**Annexure 'A' To The Independent Auditor's Report (Contd.)**

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements

and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited financial statements of jointly controlled entities, incorporated in India, is based on the corresponding reports of the auditor of such jointly controlled entities incorporated in India.

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

Chartered Accountants  
Firm's Registration No. 001111N

**(Akhil Bhalla)**

Partner  
Membership No. 505002  
UDIN: 24505002BKBYAY5252

Place: Gurugram

Dated: May 22, 2024



# CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	March 31, 2024	March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	20,895.59	16,796.34
Capital work in progress	2	734.77	477.73
Investment property	3	265.48	282.14
Intangible assets	4	56.37	67.31
Investments accounted for using the equity method	5	4,744.01	7,136.47
Financial assets			
Investments	6	13,838.00	5,527.32
Other financial assets	8A	7,066.15	279.83
Non-current tax assets	9	325.30	224.05
Other non-current assets	10A	670.30	364.30
<b>Total non-current assets</b>		<b>48,595.97</b>	<b>31,155.49</b>
<b>Current assets</b>			
Inventories	11	12,677.19	13,253.21
Financial assets			
Trade receivables	12	21,032.75	16,853.21
Cash and cash equivalents	13	236.05	528.41
Other bank balances	14	283.48	281.95
Loans	7A	270.43	388.20
Other financial assets	8B	156.41	140.36
Other current assets	10B	2,420.80	2,977.58
<b>Total current assets</b>		<b>37,077.11</b>	<b>34,422.92</b>
<b>Total assets</b>		<b>85,673.08</b>	<b>65,578.41</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	1,234.56	1,234.56
Other equity	16	52,483.55	35,517.35
<b>Total equity</b>		<b>53,718.11</b>	<b>36,751.91</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17A	342.48	608.48
Lease liabilities	18A	987.13	-
Other financial liabilities	19A	25.13	22.89
Provisions	20A	211.87	198.43
Deferred tax liabilities	21	3,346.69	1,453.21
Other non-current liabilities	22A	109.82	78.86
<b>Total non-current liabilities</b>		<b>5,023.12</b>	<b>2,361.87</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17B	8,277.49	8,075.13
Lease liabilities	18B	263.15	5.63
Trade payables	23		
(i) total outstanding dues of micro enterprises and small enterprises		847.81	305.91
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		15,920.15	16,586.20
Other financial liabilities	19B	864.38	839.76
Other current liabilities	22B	626.12	531.32
Provisions	20B	132.75	120.68
<b>Total current liabilities</b>		<b>26,931.85</b>	<b>26,464.63</b>
<b>Total equity and liabilities</b>		<b>85,673.08</b>	<b>65,578.41</b>
The accompanying notes form an integral part of these financial statements	1-49		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbro's Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS**

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue</b>			
Revenue from operations	24	77,826.68	64,718.32
Other income	25	1,259.67	619.95
<b>Total income</b>		<b>79,086.35</b>	<b>65,338.27</b>
<b>Expenses</b>			
Cost of materials consumed	26	41,158.83	35,317.02
Purchase of stock-in-trade	27	495.76	496.91
Changes in inventories of finished goods, stock in trade and work in progress	28	593.84	(701.65)
Employee benefits expenses	29	8,111.90	7,069.39
Finance costs	30	1,326.54	1,135.87
Depreciation and amortisation expense	31	2,591.09	2,372.34
Other expenses	32	16,001.17	13,806.99
<b>Total expenses</b>		<b>70,279.13</b>	<b>59,496.87</b>
<b>Profit before exceptional items and tax</b>		<b>8,807.22</b>	<b>5,841.40</b>
Exceptional items	33	4,245.54	-
<b>Profit before share of profit in joint ventures and tax</b>		<b>13,052.76</b>	<b>5,841.40</b>
Share of profit of joint ventures accounted for using the equity method		1,617.15	1,187.37
<b>Profit before tax</b>		<b>14,669.91</b>	<b>7,028.77</b>
<b>Tax expense</b>	34		
Current tax		3,718.89	1,517.48
Deferred tax		(31.87)	(53.22)
Earlier years tax adjustments (net)		(14.74)	6.81
<b>Total tax expense</b>		<b>3,672.28</b>	<b>1,471.07</b>
<b>Profit for the year</b>		<b>10,997.63</b>	<b>5,557.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(42.52)	31.25
Changes in fair value of FVOCI equity instruments		8,310.68	1,689.18
Share of other comprehensive income of joint ventures accounted for using the equity method		(3.87)	(4.43)
Income tax relating to items that will not be reclassified to profit or loss		(1,925.36)	(401.38)
<b>Total other comprehensive income for the year</b>		<b>6,338.93</b>	<b>1,314.62</b>
<b>Total comprehensive income for the year</b>		<b>17,336.56</b>	<b>6,872.32</b>
<b>Earnings per equity share (Face value ₹ 2 per share)</b>	35		
Basic (₹)		17.82	9.00
Diluted (₹)		17.82	9.00
The accompanying notes form an integral part of these financial statements	1-49		
This is the statement of profit or loss referred to in our report of even date			

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

# STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

## A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

## B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
<b>Balance as at March 31, 2022</b>	<b>798.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>21,021.15</b>	<b>2,440.78</b>	<b>28,953.67</b>
Profit for the year	-	-	-	5,557.70	-	5,557.70
Other comprehensive income for the year (net of tax impact)	-	-	-	23.39	1,295.66	1,319.05
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	(4.43)	-	(4.43)
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(308.64)	-	(308.64)
<b>Balance as at March 31, 2023</b>	<b>848.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>26,239.17</b>	<b>3,736.44</b>	<b>35,517.35</b>
Profit for the year	-	-	-	10,997.63	-	10,997.63
Other comprehensive income for the year (net of tax impact)	-	-	-	(31.82)	6,374.62	6,342.80
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	(3.87)	-	(3.87)
Transfer	50.00	-	-	(50.00)	-	-
<b>Transactions with owners, recorded directly in equity</b>						
- Dividend paid during the year	-	-	-	(370.36)	-	(370.36)
<b>Balance as at March 31, 2024</b>	<b>898.23</b>	<b>15.21</b>	<b>4,678.30</b>	<b>36,780.75</b>	<b>10,111.06</b>	<b>52,483.55</b>

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

# STATEMENT OF CONSOLIDATED CASH FLOW

for the year ended March 31, 2024

(All amounts in ₹ Lacs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>14,669.91</b>	<b>7,028.77</b>
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment, investment property and intangible assets	2,591.09	2,372.34
Profit on sale of property, plant and equipment (net)	(74.43)	(43.17)
Interest income	(163.38)	(69.13)
Dividend income	(349.83)	(90.76)
Share of profit of joint ventures	(1,617.15)	(1,187.37)
Allowance for doubtful debts (net)	180.61	146.65
Unrealised foreign exchange gain	(18.41)	(49.58)
Advances written off	15.62	180.60
Profit on sale of investment in joint venture	(4,245.54)	-
Provisions no longer required written back	-	(180.60)
Finance costs	1,326.54	1,135.87
<b>Operating profit before working capital changes</b>	<b>12,315.03</b>	<b>9,243.62</b>
<b>Movement in working capital</b>		
Change in inventories	576.02	(1,827.80)
Change in Trade receivables, other financial and non-financial assets	(3,895.04)	(2,078.60)
Change in Trade payable, other financial and non-financial liabilities	(54.44)	1,856.43
<b>Cash generated from operating activities post working capital changes</b>	<b>8,941.57</b>	<b>7,193.65</b>
Income tax paid (net)	(2,266.66)	(1,535.17)
<b>Net cash generated from operating activities (A)</b>	<b>6,674.91</b>	<b>5,658.48</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(6,009.99)	(4,206.20)
Proceeds from sale of property, plant and equipment	200.65	383.90
Sale of investment in joint venture (Net of tax ₹ 1,538.75 Lacs and related expenses of ₹ 46.52 Lacs)	6,594.73	-
Movement in other bank balances	(6,617.99)	(40.61)
Proceeds from intercorporate deposits	105.00	-
Dividend received	467.63	90.76
Interest received	84.24	67.34
<b>Net cash used in investing activities (B)</b>	<b>(5,175.72)</b>	<b>(3,704.81)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from/(Repayment of) borrowings (Net)	540.84	609.72
Repayment of term borrowings	(611.41)	(827.79)
Payment towards lease liabilities	(53.07)	(14.21)
Dividend paid	(379.56)	(294.49)
Interest paid	(1,288.35)	(1,104.04)
<b>Net cash used in financing activities (C)</b>	<b>(1,791.55)</b>	<b>(1,630.81)</b>
Increase/ (decrease) in cash and cash equivalents (A+B+C)	(292.36)	322.86
Cash and cash equivalents at the beginning of the year	528.41	205.55
<b>Cash and cash equivalents at the end of the year (Refer note 13)</b>	<b>236.05</b>	<b>528.41</b>

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co  
Chartered Accountants  
Firm Registration No.: 001111N

per Akhil Bhalla  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar  
Joint Managing Director  
[DIN: 00628063]

Umesh Talwar  
Vice Chairman and Managing Director  
[DIN: 00059271]

Manish Khanna  
Chief Financial Officer

Seema Narang  
Company Secretary

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended March 31, 2024

### 1. CORPORATE INFORMATION

Talbro's Automotive Components Limited (the 'Holding Company') is a public limited company with its joint ventures (collectively referred to as the 'Group'). The Holding Company is incorporated and domiciled in India. The Holding Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Group is in the business of manufacturing gaskets, forging, suspension systems, anti-vibration components and hoses. The Holding Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

The consolidated financial statements for the year ended March 31, 2024 were authorised and approved by the Board of Directors on May 22, 2024.

#### 1.1 Material Accounting policies

##### a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

##### b) Basis of consolidation

###### *Joint ventures*

Interest in joint venture are accounted for using the equity method, after initially being recognised at cost. The carrying amount of the investment

is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

##### c) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

###### *Significant management judgments*

**Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

###### **Provisions, contingent liabilities and contingent assets**

- The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is



**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

**Impairment of financial assets** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Leases** – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease

term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

*Significant estimates*

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

**Defined benefit obligation** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

*Fair value measurements*

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### e) Inventory

Inventories are valued as follows:

#### **Raw material, stores and spares**

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalised as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

#### **Work in progress and finished goods**

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of

direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### f) Property, plant and equipment

#### ***Recognition and initial measurement***

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

#### ***Subsequent measurement (depreciation and useful lives)***

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in

**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

respect of the following assets, where useful life is different than those prescribed in Schedule II:

<b>Particulars</b>	<b>Useful life</b>
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

\*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

***De-recognition***

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

***Transition to Ind AS***

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the provisions of previous GAAP

and use that carrying value as the deemed cost of property, plant and equipment.

**g) Intangible assets*****Recognition and initial measurement***

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

***Subsequent measurement (Amortisation and useful lives)***

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

<b>Intangible assets</b>	<b>Amortisation period</b>
Computer Software	3-5 years
Technical know how	10 years

***De-recognition***

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

***Transition to Ind AS***

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

**h) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognised.

### *Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognised as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

### i) Leases

#### **Group as a lessee**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU")

and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

#### **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

The Group does not have any finance lease as a lessor.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)****j) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

**k) Revenue recognition**

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

### **Sale of goods and services**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue from services is recognised when Group satisfies the performance obligations by transferring the promised services to its customers.

### **l) Financial instruments**

#### *Recognition and initial measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

#### *Subsequent measurement*

#### **Financial assets**

##### **i. Financial assets carried at amortised cost –**

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

##### **ii. Financial assets at fair value**

##### **• Investments in equity instruments**

**other than above –** Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

#### *Financial liabilities*

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

#### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**m) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables**

As a practical expedient the Group has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

**n) Retirement and other employee benefits****Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund.

**Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

**Compensated absence**

Compensated absence, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

The Group treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

### Other short-term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

#### o) Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year

when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

#### p) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognised when the realisation of income is virtually certain.

### 1.2 Other accounting policy information

#### a) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups



**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**b) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated

using the effective interest rate and other costs like finance charges in respect of the leases recognised in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**c) Government grant**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

**d) Foreign currency transactions*****Functional and presentation currency***

The financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional and presentation currency.

***Foreign currencies******Initial recognition***

Transactions in foreign currencies are initially recorded by the Group at exchange rates at the date the transaction first qualifies for recognition.

***Subsequent measurement***

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other comprehensive income or profit or loss are also recognised in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

e) **Other income**

**Dividend income**

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

**Interest income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

**Export incentives**

Export incentives are accounted on accrual basis.

f) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g) **Cash and cash equivalents**

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

**1.3 Recent accounting pronouncements which are not yet effective**

As on date of these consolidated financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards which are effective from April 01, 2024.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 2 PROPERTY, PLANT AND EQUIPMENT**

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
<b>Gross block</b>														
As at April 01, 2022	693.56	413.99	34.23	3,152.78	24,581.33	503.15	27.80	630.55	500.22	993.71	105.72	10.52	31,647.56	325.02
Additions	-	-	-	340.61	3,747.63	24.89	-	47.45	22.50	2.27	-	-	4,185.35	477.73
Disposals/transfers	-	-	-	-	(1,329.85)	(85.00)	-	(13.48)	(175.28)	(35.97)	-	-	(1,639.58)	(325.02)
<b>Balance as at March 31, 2023</b>	<b>693.56</b>	<b>413.99</b>	<b>34.23</b>	<b>3,493.39</b>	<b>26,999.11</b>	<b>443.04</b>	<b>27.80</b>	<b>664.52</b>	<b>347.44</b>	<b>960.01</b>	<b>105.72</b>	<b>10.52</b>	<b>34,193.33</b>	<b>477.73</b>
Additions	-	-	1,344.26	662.06	4,511.48	23.68	-	81.48	66.42	128.43	-	-	6,817.81	1,064.36
Disposals/transfers	-	-	-	-	(3,425.05)	(35.25)	-	(118.31)	(36.99)	(34.25)	(62.69)	-	(3,712.54)	(807.32)
<b>Balance as at March 31, 2024</b>	<b>693.56</b>	<b>413.99</b>	<b>1,378.49</b>	<b>4,155.45</b>	<b>28,085.54</b>	<b>431.47</b>	<b>27.80</b>	<b>627.69</b>	<b>376.87</b>	<b>1,054.19</b>	<b>43.03</b>	<b>10.52</b>	<b>37,298.60</b>	<b>734.77</b>
<b>Accumulated depreciation</b>														
As at April 01, 2022	-	62.62	17.49	1,454.43	12,786.48	204.91	27.25	546.21	418.61	691.38	97.02	10.44	16,316.84	-
Charge for the year	-	4.60	11.42	118.02	2,032.47	76.88	0.55	46.93	36.55	41.81	2.47	-	2,371.70	-
Disposals	-	-	-	-	(999.39)	(70.47)	-	(13.47)	(175.15)	(33.07)	-	-	(1,291.55)	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>67.22</b>	<b>28.91</b>	<b>1,572.45</b>	<b>13,819.56</b>	<b>211.32</b>	<b>27.80</b>	<b>579.67</b>	<b>280.01</b>	<b>700.12</b>	<b>99.49</b>	<b>10.44</b>	<b>17,396.99</b>	<b>-</b>
Charge for the year	-	4.60	73.06	151.80	2,166.69	61.18	-	52.46	34.43	39.98	1.61	-	2,585.81	-
Disposals	-	-	-	-	(3,298.14)	(33.77)	-	(118.31)	(35.90)	(30.98)	(62.69)	-	(3,579.79)	-
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>71.82</b>	<b>101.97</b>	<b>1,724.25</b>	<b>12,688.11</b>	<b>238.73</b>	<b>27.80</b>	<b>513.82</b>	<b>278.54</b>	<b>709.12</b>	<b>38.41</b>	<b>10.44</b>	<b>16,403.01</b>	<b>-</b>
<b>Net block as at March 31, 2024</b>	<b>693.56</b>	<b>342.17</b>	<b>1,276.52</b>	<b>2,431.20</b>	<b>15,397.43</b>	<b>192.74</b>	<b>-</b>	<b>113.87</b>	<b>98.33</b>	<b>345.07</b>	<b>4.62</b>	<b>0.08</b>	<b>20,895.59</b>	<b>734.77</b>
<b>Net block as at March 31, 2023</b>	<b>693.56</b>	<b>346.77</b>	<b>5.32</b>	<b>1,920.94</b>	<b>13,179.55</b>	<b>231.72</b>	<b>-</b>	<b>84.85</b>	<b>67.43</b>	<b>259.89</b>	<b>6.23</b>	<b>0.08</b>	<b>16,796.34</b>	<b>477.73</b>

**(i) Expenditures capitalised in the carrying amount of property plant and equipment**

The Group has capitalised the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2024	March 31, 2023
Salaries and wages	198.55	187.16
Depreciation	43.69	56.34
Power and fuel	112.47	128.26
Repairs and maintenance	66.76	78.90
Processing charges and consumable	428.16	423.30
<b>Total</b>	<b>849.63</b>	<b>873.96</b>

**(ii) Contractual obligations**

Refer note 42B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iii) Assets pledged as security**

Refer note 17 for disclosure of property, plant and equipment pledged as securities against borrowings.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
<b>Gross block</b>			
<b>As at April 01, 2022</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
Additions/transfers	-	-	-
Disposals/assets written off			
<b>As at March 31, 2023</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
Additions/transfers	-	-	-
<b>Balance as at March 31, 2024</b>	<b>40.77</b>	<b>512.27</b>	<b>553.04</b>
<b>Accumulated depreciation</b>			
As at April 01, 2022	-	255.08	255.08
Charge for the year	-	15.82	15.82
Disposals/transfers			-
<b>As at March 31, 2023</b>	<b>-</b>	<b>270.90</b>	<b>270.90</b>
Charge for the year	-	16.66	16.66
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>287.56</b>	<b>287.56</b>
<b>Net block as at March 31, 2024</b>	<b>40.77</b>	<b>224.71</b>	<b>265.48</b>
<b>Net block as at March 31, 2023</b>	<b>40.77</b>	<b>241.37</b>	<b>282.14</b>

#### (i) Amount recognised in profit and loss for investment property

Particulars	March 31, 2024	March 31, 2023
Rental income	245.31	213.82
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
<b>Profit from leasing of investment property before depreciation</b>	<b>245.31</b>	<b>213.82</b>
Less: depreciation expense	16.66	15.82
<b>Profit from leasing of investment property after depreciation</b>	<b>228.65</b>	<b>198.00</b>

\*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

#### (ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 42 (ii) for details on future minimum lease rentals.

#### (iii) Fair value of investment property:

Particulars	March 31, 2024	March 31, 2023
Fair value	837.47	687.65

The Group obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Group considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 4 INTANGIBLE ASSETS**

Particulars	Computer software	Technical know-how	Total
<b>Gross block</b>			
As at April 01, 2022	438.41	485.37	923.78
Additions	7.48	8.79	16.27
Disposals	(43.93)	-	(43.93)
<b>Balance as at March 31, 2023</b>	<b>401.96</b>	<b>494.16</b>	<b>896.12</b>
Additions	21.37	-	21.37
Disposals	(37.10)	-	(37.10)
<b>Balance as at March 31, 2024</b>	<b>386.23</b>	<b>494.16</b>	<b>880.39</b>
<b>Accumulated amortisation</b>			
As at April 01, 2022	399.90	431.68	831.58
Amortisation charge for the year	22.20	18.96	41.16
Disposals	(43.93)	-	(43.93)
<b>As at March 31, 2023</b>	<b>378.17</b>	<b>450.64</b>	<b>828.81</b>
Amortisation charge for the year	15.76	16.55	32.31
Disposals	(37.10)	-	(37.10)
<b>Balance as at March 31, 2024</b>	<b>356.83</b>	<b>467.19</b>	<b>824.02</b>
<b>Net block as at March 31, 2024</b>	<b>29.40</b>	<b>26.97</b>	<b>56.37</b>
<b>Net block as at March 31, 2023</b>	<b>23.79</b>	<b>43.52</b>	<b>67.31</b>

**Notes:****(i) Research and development expenses**

Refer note 45 for expenses incurred on research and development activities.

**NOTE - 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD<sup>^</sup>**

	As at March 31, 2024	As at March 31, 2023
<b>(i) Investments in equity instruments</b>		
<b>Joint ventures (Unquoted)</b>		
Nippon Leakless Talbros Private Limited Nil shares (March 31, 2023: 4,800,000 shares) of ₹ 10 each*	-	3,326.29
Magneti Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2023: 11,780,000 shares) of ₹ 10 each	3,803.93	2,981.33
Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2023: 9,500,000 shares) of ₹ 10 each	940.08	828.85
	<b>4,744.01</b>	<b>7,136.47</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	4,744.01	7,136.47
Aggregate amount of impairment in value of investments	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD<sup>^</sup> (CONTD.)

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2024	As at March 31, 2023
Nippon Leakless Talbros Private Limited*	India	0.00%	40.00%
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

<sup>^</sup>Refer note 41 - Group information for summarised financial information of joint ventures.

\*The disinvestment process in its Joint Venture "Nippon Leakless Talbros Private Limited (NLTPL)" completed on January 25, 2024 by selling its entire 40% in NLTPL.

### NOTE - 6 INVESTMENTS

	As at March 31, 2024	As at March 31, 2023
<b>(i) Investments in equity instruments (Unquoted, at fair value through other comprehensive income)</b>		
QH Talbros Private Limited 177,962 shares (March 31, 2023: 177,962 shares) of ₹ 10 each	190.99	90.33
Talbros International Private Limited 1,326,970 shares (March 31, 2023: 1,326,970 shares) of ₹ 10 each	13,393.24	5,325.93
T & T Motors Limited 83,333 shares (March 31, 2023: 83,333 shares) of ₹ 10 each	253.77	111.06
	<b>13,838.00</b>	<b>5,527.32</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	13,838.00	5,527.32
Aggregate amount of impairment in value of investments	-	-

### NOTE - 7

#### A LOANS - CURRENT

##### (Unsecured, considered good)

Inter-corporate deposits	270.43	388.20
	<b>270.43</b>	<b>388.20</b>

### NOTE - 8

#### A Other financial assets - non-current

##### (Unsecured, considered good)

Security deposits	244.60	151.68
Bank deposits with more than 12 months maturity*	6,821.55	128.15
	<b>7,066.15</b>	<b>279.83</b>

\*Under lien with banks amounting to ₹ 127.91 Lacs (Previous Year - ₹ 128.15 Lacs) as security against borrowings.

#### B Other financial assets - current

##### (Unsecured, considered good)

Recoverable from employees	15.23	39.01
Security deposits	27.87	27.67
Derivative assets on forward contracts	40.41	-
Claims and other recoverable	72.90	73.68
	<b>156.41</b>	<b>140.36</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**Note - 9**

<b>Non-current tax assets</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Advance income tax	4,044.19	1,741.53
Less: Provision for taxation	(3,718.89)	(1,517.48)
	<b>325.30</b>	<b>224.05</b>

**NOTE - 10****A Other non-current assets**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Prepaid expenses	8.30	6.18
Accrued lease income	23.82	3.86
Capital advances	638.18	354.26
	<b>670.30</b>	<b>364.30</b>

**B Other current assets**

Advances to suppliers		
- Considered good	673.79	605.07
- Considered doubtful	36.84	36.84
Balance with government authorities		
- Considered good	1,057.94	818.87
- Considered doubtful	123.10	123.10
Insurance Claim receivables	16.29	-
Prepaid expenses	161.28	128.53
Surplus planned assets	217.37	310.08
Accrued lease income	2.70	1.95
Others	291.43	1,113.08
	<b>2,580.74</b>	<b>3,137.52</b>
Less : Provision for doubtful advances	(159.94)	(159.94)
	<b>2,420.80</b>	<b>2,977.58</b>

**NOTE - 11 INVENTORIES**

<b>(Lower of cost or net realisable value)</b>		
Raw material	5,463.24	5,482.70
Work in progress	3,768.01	4,923.52
Finished goods including Stock in Trade	2,827.61	2,265.94
Stores and spares	618.33	581.05
	<b>12,677.19</b>	<b>13,253.21</b>
<b>i) The above includes goods in transit as under:</b>		
Raw material	1,264.34	1,343.66
Stores and spares	-	21.36
	<b>1,264.34</b>	<b>1,365.02</b>

**NOTE - 12 TRADE RECEIVABLES^**

Trade receivables considered good, unsecured	21,032.75	16,853.21
Trade receivables - which have significant increase in credit risk	57.14	57.70
Trade receivables - credit impaired	511.85	330.69
	<b>21,601.74</b>	<b>17,241.60</b>
Less: Allowance for expected credit loss	(568.99)	(388.39)
	<b>21,032.75</b>	<b>16,853.21</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 12 TRADE RECEIVABLES^ (CONTD.)

	March 31, 2024	March 31, 2023
<b>Includes trade receivables from companies in which directors are interested<sup>^</sup></b>		
Talbro's Marugo Rubber Private Limited	33.05	31.82
QH Talbro's Private Limited	1,760.80	1,760.03
Talbro's Indiparts Private Limited	918.68	891.66

\*Refer note 46 for ageing details

<sup>^</sup>Refer note 39 for related party transactions

The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.

### NOTE - 13 CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
Cash on hand	23.66	8.87
Balances with banks		
- in current accounts	105.70	415.74
Deposits with original maturity less than 3 months	106.69	103.80
	<b>236.05</b>	<b>528.41</b>

### NOTE - 14 OTHER BANK BALANCES

Deposits with maturity of not less than 3 months but not more than 12 months	3.80	3.18
Margin money deposits (under lien with banks)	254.61	244.51
Earmarked balances with banks		
- Unpaid dividend account	25.07	34.26
	<b>283.48</b>	<b>281.95</b>

### NOTE - 15 EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
<b>i Authorised</b>				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
	<b>10,00,00,000</b>	<b>2,000.00</b>	<b>10,00,00,000</b>	<b>2,000.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	<b>6,17,28,150</b>	<b>1,234.56</b>	<b>6,17,28,150</b>	<b>1,234.56</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
Equity shares				
Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>6,17,28,150</b>	<b>1,234.56</b>	<b>6,17,28,150</b>	<b>1,234.56</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 15 EQUITY SHARE CAPITAL (CONTD.)****iv Terms/ rights attached to equity shares**

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

**v Details of equity shares held by shareholders holding more than 5% shares in the Company**

Name of the equity shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	%	No. of shares	%
Talbros International Private Limited	2,64,77,983	42.89%	2,64,67,635	42.88%

**vi** There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

**vii** There are no shares reserved for issue under options or other purpose.

**viii** The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

**NOTE - 16 OTHER EQUITY**

	As at March 31, 2024	As at March 31, 2023
General reserve	898.23	848.23
Retained earnings	36,780.75	26,239.17
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	10,111.06	3,736.44
<b>Total other equity</b>	<b>52,483.55</b>	<b>35,517.35</b>

**Nature and purpose of other reserves****i General reserve**

General reserve is created out of the accumulated profits of the Group as per the provisions of Companies Act. The transfers from retained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

**ii Retained earnings**

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

**iii Capital reserve**

Capital reserve includes the amount of share application money forfeited by the Holding Company.

**iv Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act.

**v Equity instruments through other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 17

#### A Long term borrowings

	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Term Loans</b>		
<b>From banks - Rupee loan</b>		
- HDFC bank	-	165.91
- Kotak Mahindra bank	-	20.75
- Yes bank	330.68	331.76
- Vehicle Loans	11.80	45.58
<b>From Others</b>		
- Vehicle loans	-	44.48
	<b>342.48</b>	<b>608.48</b>
<b>Amount disclosed under other financial liabilities and Short-term borrowings:</b>		
Current maturity of long-term debts	352.77	561.25
Interest accrued on borrowings	66.55	63.81

#### Notes:

- The Company has taken vehicle loans from banks and others. The amount is secured against moveable fixed assets.
- Term Loan from Kotak Mahindra Bank is secured by first charge on property, plant and equipment to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors.
- Term loan from HDFC Bank is secured by exclusive charge on all the property, plant and equipment purchased out of proceeds of term loan and is further secured by personal guarantee of two directors for takeover portion of TL from Bajaj Finserve only.
- Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
- For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
<b>Term loans, secured</b>				
<b>From banks - Rupee loan</b>				
HDFC Bank	Repayment with in 36 monthly instalment from the date of disbursement.	7.15% to 8.15%	-	165.91
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	7.10% to 7.10%	11.80	45.58

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 17 (CONTD.)**

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
Kotak Mahindra Bank	48 equal monthly installment after 12 months moratorium period from the date of first disbursement.	7.50% to 8.95%	-	20.75
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	8.50% to 9.50%	330.68	331.76
<b>From others:</b>				
Vehicle Loans	36 equal monthly installments from the date of loan	6.99% to 7.85%	-	44.48
			<b>342.48</b>	<b>608.48</b>

	As at March 31, 2024	As at March 31, 2023
<b>B Short term borrowings</b>		
Current maturity of long-term borrowings	352.77	561.25
<b>Secured</b>		
<b>a) Working capital loan from bank</b>		
HDFC Bank*	3,606.18	3,770.18
DBS Bank*	87.64	79.47
Yes Bank*	300.00	300.00
Axis Bank*	1,884.34	1,527.35
Federal Bank *	2,046.56	1,836.88
	<b>8,277.49</b>	<b>8,075.13</b>

**Notes:**

\*Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

**Short-term borrowings (excluding current maturities of long-term borrowings)**

Particulars	Terms of repayment	Interest Rate	March 31, 2024	March 31, 2023
<b>Working capital loan, secured</b>				
HDFC Bank	Within 365 days	4.00% -9.85%	3,606.18	3,770.18
DBS Bank	Within 365 days	4.25%-9.05%	87.64	79.47
Yes Bank	Within 365 days	4.95% - 7.00%	300.00	300.00
Axis Bank	Within 365 days	6.25% -8.95%	1,884.34	1,527.35
Federal Bank	Within 365 days	4.00% - 8.95%	2,046.56	1,836.88
			<b>7,924.72</b>	<b>7,513.88</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 17 (CONTD.)

#### C Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings <sup>^</sup>	Total
<b>As at March 31, 2023</b>	<b>5.63</b>	<b>1,169.73</b>	<b>7,528.81</b>	<b>8,704.17</b>
<b>Cash flow:</b>				
- Proceeds from Borrowings	-	136.93	403.91	<b>540.84</b>
- Additions	1,264.42			<b>1,264.42</b>
- Repayment (including matured deposits)	(53.07)	(611.41)	-	<b>(664.48)</b>
<b>Other movements:</b>				
- Movement in bills discounted from banks	-	-	-	-
<b>Other non-cash movements:</b>				
- Accrual of interest on lease liabilities	33.30	-	-	<b>33.30</b>
<b>As at March 31, 2024</b>	<b>1,250.28</b>	<b>695.25</b>	<b>7,932.72</b>	<b>9,878.25</b>

<sup>^</sup>including unclaimed matured deposits

	As at March 31, 2024	As at March 31, 2023
<b>NOTE - 18</b>		
<b>A Lease liabilities - non-current</b>		
Lease liabilities	987.13	-
	<b>987.13</b>	-
<b>B Lease liabilities - current</b>		
Lease liabilities	263.15	5.63
	<b>263.15</b>	<b>5.63</b>
<b>NOTE - 19</b>		
<b>A Other financial liabilities - non-current</b>		
Security deposits	25.13	22.89
	<b>25.13</b>	<b>22.89</b>
<b>B Other financial liabilities - current</b>		
Derivative liability on forward contracts	-	37.30
Interest accrued on borrowings	66.55	63.81
Employee related payables	670.71	609.92
Security deposits	71.48	67.09
Unclaimed dividend	25.07	34.26
Unclaimed matured deposits	8.00	14.93
Other payables	22.57	12.45
	<b>864.38</b>	<b>839.76</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>NOTE - 20</b>		
<b>A Provisions - non-current</b>		
Employees' long-term benefits		
Compensated absences	211.87	198.43
	<b>211.87</b>	<b>198.43</b>

For movements in each class of provision during the financial year, refer note 44

<b>B Provisions - current</b>		
Employees' long-term benefits		
Compensated absences	132.75	120.68
	<b>132.75</b>	<b>120.68</b>

For movements in each class of provision during the financial year, refer note 44

<b>NOTE - 21</b>		
<b>Deferred tax liabilities</b>		
<b>Deferred tax liabilities arising on account of :</b>		
Depreciation	940.64	541.72
Equity instruments carried at FVOCI	3,070.86	1,134.81
Others	2.62	11.44
<b>Deferred tax asset arising on account of :</b>		
Allowance for doubtful debts and advances	132.75	138.00
Disallowances u/s 43B	534.68	96.76
	<b>3,346.69</b>	<b>1,453.21</b>

Particulars	March 31, 2023	Adjusted from Provision for Taxation	Recognised in statement of profit and loss	Recognised in other comprehensive income	March 31, 2024
<b>Deferred tax liability:</b>					
Depreciation	541.72	-	398.92	-	940.64
Equity instruments carried at FVOCI	1,134.81	-	-	1,936.05	3,070.86
Others	11.44	-	(8.82)	-	2.62
<b>Deferred tax asset:</b>					
Allowance for doubtful debts and advances	138.00	-	(5.25)	-	132.75
Disallowances u/s 43B	96.76	-	427.22	10.69	534.68
	<b>1,453.21</b>	<b>-</b>	<b>(31.87)</b>	<b>1,925.36</b>	<b>3,346.69</b>

**Note:**

	March 31, 2024	March 31, 2023
<b>(i) Breakup of amounts recognised in statement of profit and loss:</b>		
Recognised as part of:	(31.87)	(53.22)
- Deferred tax	<b>(31.87)</b>	<b>(53.22)</b>

- (ii) The Group does not recognise deferred tax liability ₹ 658.41 Lacs (March 31, 2023 : ₹ 1139.73 Lacs) with respect to unremitted retained earnings of joint ventures wherever it controls the timing of the distribution of profits and it is probable that the joint venture will not distribute the profits in the foreseeable future.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 22

	As at March 31, 2024	As at March 31, 2023
<b>A Other non-current liabilities</b>		
Deferred income	3.39	5.59
Advance from customers <sup>^</sup>	106.43	73.27
	<b>109.82</b>	<b>78.86</b>
<b>B Other current liabilities</b>		
Advance from customers <sup>^</sup>	440.69	285.00
Payable to statutory authorities	183.22	232.92
Deferred income	2.21	2.21
Amount payable government authorities	-	11.19
	<b>626.12</b>	<b>531.32</b>
<sup>^</sup> represents contract liabilities		
<b>Reconciliation of contract liabilities:</b>		
Contract liabilities at the beginning of the year	358.27	168.58
Less: performance obligations satisfied in current year	(96.16)	(95.32)
Add: advance received during the year	285.01	285.01
<b>Contract liabilities at the end of the year</b>	<b>547.12</b>	<b>358.27</b>

### NOTE - 23

#### Trade payables\*

Total outstanding dues of micro enterprises and small enterprises	847.81	305.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,920.15	16,586.20
	<b>16,767.96</b>	<b>16,892.11</b>

\*Refer note 39 for related party transactions and note 46 for ageing details.

The Group has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2024 and March 31, 2023:

Particulars	March 31, 2024	March 31, 2023
i the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	847.81	305.91
ii the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 24 REVENUE FROM OPERATIONS**

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	72,927.59	60,645.73
Sale of services	-	33.43
Other operating income	4,899.09	4,039.16
	<b>77,826.68</b>	<b>64,718.32</b>
<b>Disaggregation of revenue:</b>		
Gaskets	47,034.26	40,215.94
Forgings	25,893.34	20,429.82
Management fees	-	33.40
Others	4,899.08	4,039.16
	<b>77,826.68</b>	<b>64,718.32</b>

Refer material accounting policy for information about the Company's performance obligations

**Note - 25 Other income**

Interest income on:		
- Inter corporate deposits	37.83	48.00
- Fixed deposits with banks	123.34	20.87
- Other financial assets at amortised cost	2.21	0.20
- Others	-	0.05
Dividend income from:		
- Related parties	349.83	90.76
Royalty	119.70	112.99
Lease rentals	245.31	213.82
Net gain on foreign currency transactions	212.42	-
Profit on sale of property, plant and equipment (net)	74.43	43.17
Other non-operating income	94.60	90.09
	<b>1,259.67</b>	<b>619.95</b>

**NOTE - 26 COST OF MATERIALS CONSUMED**

Opening inventory	5,482.70	4,490.24
Add: Purchases	41,139.37	36,309.48
	<b>46,622.07</b>	<b>40,799.72</b>
Less: Closing inventory	5,463.24	5,482.70
	<b>41,158.83</b>	<b>35,317.02</b>
<b>Cost of raw materials consumed include:</b>		
Tinplate/P.C.R.C.A/steel/copper	9,665.50	8,893.99
Jointing	8,598.05	7,918.76
Forging steels	13,170.58	10,907.39
Bought out auto components and parts	6,456.06	4,869.50
Others	3,268.64	2,727.38
	<b>41,158.83</b>	<b>35,317.02</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 27 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Purchase of stock-in-trade</b>		
Dyna bond	495.76	496.91
	<b>495.76</b>	<b>496.91</b>

### NOTE - 28

<b>Change in inventories of finished goods, work in progress and stock-in-trade</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (including stock in trade)	2,827.61	2,265.94
Work-in-progress	3,768.01	4,923.52
<b>Inventories at the beginning of the year:</b>		
Finished goods (including stock in trade)	2,265.94	2,214.53
Work-in-progress	4,923.52	4,273.28
<b>Net decrease</b>	<b>593.84</b>	<b>(701.65)</b>

### NOTE - 29

<b>Employee benefits expense</b>		
Salaries and wages	7,238.76	6,268.21
Contributions to provident and other fund	324.94	287.31
Staff welfare expenses	548.20	513.87
	<b>8,111.90</b>	<b>7,069.39</b>

### NOTE - 30

<b>Finance costs</b>		
Interest on borrowings	1,192.29	1,041.68
Interest on lease liabilities	33.29	1.12
Interest on others	2.15	1.95
Other borrowing cost	98.81	91.12
	<b>1,326.54</b>	<b>1,135.87</b>

### NOTE - 31

<b>Depreciation and amortisation expense</b>		
<b>Depreciation on:</b>		
- Property plant and equipment <sup>^</sup>	2,585.81	2,371.70
- Investment property	16.66	15.82
<b>Amortisation of:</b>		
- Intangible assets	32.31	41.16
	<b>2,634.78</b>	<b>2,428.68</b>
Less: depreciation capitalised	43.69	56.34
	<b>2,591.09</b>	<b>2,372.34</b>

<sup>^</sup>Includes depreciation on right of use assets ₹ 77.66 Lacs (previous year ₹ 16.57 Lacs)



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 32**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Other expenses</b>		
Consumption of stores and spares parts	5,834.15	4,552.42
Labour and processing charges	874.86	779.82
Royalty	37.67	35.36
Power and fuel	2,427.80	2,002.36
Rent	15.71	19.94
Repairs to buildings	114.93	176.32
Repairs to plant & machinery	671.58	629.04
Repairs to other assets	260.41	257.83
Insurance	190.39	175.21
Travelling, tour & conveyance	1,003.17	782.47
Sales promotion expenses	245.12	317.30
Packing, freight & forwarding	3,088.77	2,899.77
Rates and taxes	28.60	24.70
Corporate social responsibility expenditure	88.32	48.12
Allowance for doubtful trade receivables/advances	180.61	146.66
Advances written off	15.62	180.60
Provisions no longer required written back	-	(180.60)
Legal and professional	249.41	199.34
Payment to auditors:		
- <b>As Auditors:</b>		
Audit fee	14.73	14.73
Tax audit fee	2.00	2.00
- <b>In other capacity:</b>		
Limited review	3.00	3.00
Other services	0.28	0.28
Out of pocket expenses	3.25	2.80
Donation	11.24	-
Net loss on foreign currency transactions	-	127.30
Miscellaneous expenses	639.56	610.22
	<b>16,001.17</b>	<b>13,806.99</b>

**i Corporate social responsibility expenses**

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

- Gross amount required to be spent by the Company during the year is ₹ 88.32 Lacs (March 31, 2023: ₹ 48.12 Lacs).
- Amount spent during the financial year ended March 31, 2024 and March 31, 2023 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2024	-	-	-
	March 31, 2023	-	-	-
Donation paid to charitable trust	March 31, 2024	88.32	-	88.32
	March 31, 2023	48.12	-	48.12

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 33 EXCEPTIONAL ITEMS

	Year ended March 31, 2024	Year ended March 31, 2023
Profit on sale of investment in joint venture	4,292.06	-
Less: expenses incurred in relation to the sale of investment	(46.52)	-
	<b>4,245.54</b>	-

During the quarter ended March 31, 2024, the Company has completed the process of divesting and selling its entire 40% stake in Its Joint Venture "Nippon Leakless Talbros Private Limited" Constituting 48,00,000 fully paid-up equity shares of ₹ 10/- each for ₹ 81.80 Crores. The Company has disclosed net gain from the transaction as an exceptional item in the financial statements after considering carrying amount of investment at the date of discontinuance of Equity method and expenses in relation to the transaction. The capital gain tax on sale of investment has been disclosed as part of the tax expense.

### NOTE - 34 INCOME TAX

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Tax expense comprises of:</b>		
Current tax	3,718.89	1,517.48
Deferred tax charge	(31.87)	(53.22)
Earlier years tax adjustments (net)	(14.74)	6.81
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,672.28</b>	<b>1,471.07</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

<b>Accounting profit before income tax</b>	<b>14,669.91</b>	<b>7,028.77</b>
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	3,692.12	1,769.00
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Impact of different rate of tax	(153.87)	-
Earlier years tax adjustments (net)	(14.74)	6.81
Impact of tax on profit from joint ventures	450.71	(399.34)
Impact of tax on dividend received from joint ventures	29.65	-
Others	(331.59)	94.60
<b>Income tax expense</b>	<b>3,672.28</b>	<b>1,471.07</b>

### NOTE - 35

<b>EARNINGS PER SHARE (EPS)</b>		
Profit attributable to equity shareholders	10,997.63	5,557.70
Profit attributable to equity shareholders adjusted for the effect of dilution	10,997.63	5,557.70
Weighted average number of equity shares for Basic EPS	6,17,28,150	6,17,28,150
Weighted average number of equity shares for Diluted EPS	6,17,28,150	6,17,28,150
(1) Basic *	17.82	9.00
(2) Diluted *	17.82	9.00

\* EPS for the previous year has been restated due to adjustment of share split

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 36****Fair value disclosures****(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>March 31, 2024</b>				
<b>Financial assets</b>				
Investments at FVOCI	-	-	13,838.00	13,838.00
Derivative assets on forward contracts	-	40.41	-	40.41
<b>Total financial assets</b>	<b>-</b>	<b>40.41</b>	<b>13,838.00</b>	<b>13,878.41</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>March 31, 2023</b>				
<b>Financial assets</b>				
Investments at FVOCI	-	-	5,527.32	5,527.32
Derivative Asset on forward contracts	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>5,527.32</b>	<b>5,527.32</b>
<b>Financial liabilities</b>				
Derivative liability on forward contracts	-	37.30	-	37.30
<b>Total financial liabilities</b>	<b>-</b>	<b>37.30</b>	<b>-</b>	<b>37.30</b>

**(iii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

**(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.**

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023	1% increase in inputs	1% decrease in inputs
Unquoted equity shares	13,838.00	5,527.32	Terminal growth rate	5%	5%	March 31, 2024: ₹ 14,201 Lacs March 31, 2023: - ₹ 5,736 Lacs	March 31, 2024: ₹ 13,529 Lacs March 31, 2023: - ₹ 5,384 Lacs

\*Sensitivity has been considered for mentioned inputs, keeping the other variables constant

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 36 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2024 and March 31, 2023:

Particulars	Equity shares
<b>As at March 31, 2022</b>	<b>3,838.14</b>
Disposal during the year	-
Gain recognised in other comprehensive income	1,689.18
<b>As at March 31, 2023</b>	<b>5,527.32</b>
Disposal during the year	-
Gain recognised in other comprehensive income	8,310.68
<b>As at March 31, 2024</b>	<b>13,838.00</b>

(vi) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2024		March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	244.60	244.60	151.68	151.68
Other financial assets	Level 3	6,821.55	6,821.55	128.15	128.15
<b>Total financial assets</b>		<b>7,066.15</b>	<b>7,066.15</b>	<b>279.83</b>	<b>279.83</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	761.80	761.80	1,233.54	1,233.54
Other financial liabilities	Level 3	25.13	24.53	22.89	22.35
<b>Total financial liabilities</b>		<b>786.93</b>	<b>786.33</b>	<b>1,256.43</b>	<b>1,255.89</b>

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2024 was assessed to be insignificant.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 37 FINANCIAL RISK MANAGEMENT****(i) Financial instruments by category**

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	-	13,838.00	-	-	5,527.32	-
Trade receivables	-	-	21,032.75	-	-	16,853.21
Loans	-	-	270.43	-	-	388.20
Cash and cash equivalents	-	-	236.05	-	-	528.41
Other bank balances	-	-	283.48	-	-	281.95
Other financial assets	40.41	-	6,909.68	-	-	240.84
Security deposits	-	-	272.47	-	-	179.35
<b>Total financial assets</b>	<b>40.41</b>	<b>13,838.00</b>	<b>29,004.86</b>	<b>-</b>	<b>5,527.32</b>	<b>18,471.96</b>
<b>Financial liabilities</b>						
Borrowings	-	-	8,686.52	-	-	8,747.42
Lease liabilities	-	-	1,250.28	-	-	5.63
Trade payables	-	-	16,767.96	-	-	16,892.11
Other financial liabilities	-	-	822.96	37.30	-	761.54
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>27,527.72</b>	<b>37.30</b>	<b>-</b>	<b>26,406.70</b>

\*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

**(ii) Risk management framework**

The Group's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Holding Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Group's risk management is carried out by a central treasury department (of the Holding Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

#### (A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks and financial institutions

#### a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2024	March 31, 2023
A: Low	Loans	270.43	388.20
	Other financial assets	7,182.15	420.18
	Cash and cash equivalents	236.05	528.41
	Other bank balances	283.48	281.95
B: Medium	Trade receivables	21,601.74	17,241.60

#### *Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### *Trade receivables*

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

#### *Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)**

## b) Expected credit losses

*Trade receivables*

- (i) The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2024		March 31, 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	20,827.31	774.43	16,540.11	701.49
Expected loss rate	2.60%	3.50%	2.23%	2.80%
Expected credit loss (loss allowance provision)	541.87	27.12	368.72	19.67

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on April 01, 2022</b>	<b>402.59</b>
Add: Changes in loss allowances	(14.20)
<b>Loss allowance on March 31, 2023</b>	<b>388.39</b>
Less: Changes in loss allowances	180.60
<b>Loss allowance on March 31, 2024</b>	<b>568.99</b>

*Other financial assets measured at amortised cost*

Group provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Financing arrangements**

The Group has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023
Expiring within one year (cash credit and other facilities)	664.00	794.00
Expiring beyond one year (bank loans - floating rate)	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

#### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2024	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,323.99	381.30	9.00	8,714.29
Security deposit received	71.48	7.99	17.14	96.61
Trade payable	16,767.96	-	-	16,767.96
Other financial liabilities	792.90	-	-	792.90
<b>Total</b>	<b>25,956.33</b>	<b>389.29</b>	<b>26.14</b>	<b>26,371.76</b>

March 31, 2023	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	8,151.64	593.00	92.79	8,837.43
Security deposit received	67.09	7.30	15.59	89.98
Trade payable	16,892.11	-	-	16,892.11
Other financial liabilities	772.67	-	-	772.67
<b>Total</b>	<b>25,883.51</b>	<b>600.30</b>	<b>108.38</b>	<b>26,592.19</b>

#### (C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited.

#### Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2024	March 31, 2023
<b>Import trade payables:</b>		
CNY (₹ in Lacs)	2.71	-
₹ (₹ in Lacs)	31.47	-
EURO (in Lacs)	3.73	10.31
₹ (₹ in Lacs)	336.40	922.84
US\$ (in Lacs)	40.18	51.89
₹ (₹ in Lacs)	3,351.23	4,268.22
GBP (in Lacs)	0.28	0.15
₹ (₹ in Lacs)	29.11	15.07
JPY (in Lacs)	481.84	268.25
₹ (₹ in Lacs)	265.45	165.78



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)**

Particulars	March 31, 2024	March 31, 2023
<b>Export trade receivables:</b>		
EURO (in Lacs)	25.75	26.27
₹ (₹ in Lacs)	2,317.98	2,351.17
US\$ (in Lacs)	20.62	20.96
₹ (₹ in Lacs)	1,719.12	1,723.68
GBP (in Lacs)	0.26	0.64
₹ (₹ in Lacs)	27.08	64.72

The Group does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2024	March 31, 2023
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lacs)	21.00	18.50
₹ (₹)	1,890.00	1,655.94
US\$ (in Lacs)	4.50	17.75
₹ (₹)	375.98	1,459.76

All the above contracts are maturing within one year.

**Sensitivity**

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Financial assets</b>					
5% movement (previous year 1%)	EURO	(74.14)	(53.44)	74.14	53.44
4% movement (previous year 4%)	US\$	48.85	76.17	(48.85)	(76.17)
5% movement (previous year 1%)	YEN	9.93	6.20	(9.93)	(6.20)

**(ii) Interest rate risk**

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowing	8,608.17	8,593.55
Fixed rate borrowing	11.80	90.06
<b>Total borrowings</b>	<b>8,619.97</b>	<b>8,683.61</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2024	March 31, 2023
Interest rates – increase by 50 basis points	(32.21)	(32.15)
Interest rates – decrease by 50 basis points	32.21	32.15

#### iii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### iv) Price risk

##### Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Particulars	March 31, 2024	March 31, 2023
Investments carried at fair value through other comprehensive income	13,838.00	5,527.32
<b>Total investments</b>	<b>13,838.00</b>	<b>5,527.32</b>

#### Sensitivity

Refer note 36(iv) for sensitivity analysis.

### NOTE - 38

#### A Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio at March 31, 2024 was as follows..

Particulars	March 31, 2024	March 31, 2023
<b>Total borrowings</b>	<b>8,686.52</b>	<b>8,747.41</b>
Less : cash and cash equivalents	236.05	528.41
<b>Net debt</b>	<b>8,450.47</b>	<b>8,219.00</b>
Total equity	53,718.11	36,751.91
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.16</b>	<b>0.22</b>

**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 38 (CONTD.)****B Dividend**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Proposed dividend</b>		
Proposed dividend for the year ended March 31, 2024 - ₹ 0.50 per share (March 31, 2023 - ₹ 0.40 per share)	308.64	246.91
<b>Final dividend paid</b>		
Final and Interim dividend paid during the year ended March 31, 2024 - ₹ 0.60 per share (March 31, 2023 - ₹ 0.50 per share)	370.36	308.64

**NOTE - 39****Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

**i) Parties where control exists:****Jointly controlled entities**

- (i) Nippon Leakless Talbros Private Limited (Ceased to be related party wef January 25, 2024)
- (ii) Marelli Talbros Chassis Systems Private Limited
- (iii) Talbros Marugo Rubber Private Limited

**Investing party in respect of which the Company is a subsidiary**

- (i) Talbros International Private Limited

**Key management personnel and their relatives**

- (i) Mr. Naresh Talwar
- (ii) Mr. Umesh Talwar
- (iii) Mr. Varun Talwar
- (iv) Mr. Anuj Talwar
- (v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)
- (vi) Mr. Vidur Talwar
- (vii) Mr. Navin Juneja
- (viii) Mr. Anil Kumar Mehra
- (ix) Mr. Tarun Singhal
- (x) Mr. Amit Burman
- (xi) Ms. Priyanka Gulati
- (xii) Mr. Ajay K. Vij
- (xiii) Mr. Deepak Jain
- (xiv) Mr. Manish Khanna - Chief Financial Officer
- (xv) Ms. Seema Narang - Company Secretary

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 39 (CONTD.)

#### Fellow Subsidiaries

- (i) QH Talbro's Private Limited
- (ii) Talbro's Indiparts Private Limited

#### (ii) Transactions with related parties carried out in the ordinary course of business:

##### (a) Transactions with joint ventures and fellow subsidiaries

S. No.	Particulars	2023-24	2022-23
<b>1</b>	<b>Sale of goods</b>		
	QH Talbro's Private Limited	8,847.04	6,511.11
	Talbro's Indiparts Private Limited	4,118.00	3,593.61
	Nippon Leakless Talbro's Private Limited	43.90	39.33
	Talbro's Marugo Rubber Private Limited	211.23	38.37
	Marelli Talbro's Chassis Systems Private Limited	-	0.16
<b>2</b>	<b>Sale of services</b>		
	Talbro's Marugo Rubber Private Limited	35.40	35.40
	Talbro's Indiparts Private Limited	-	2.36
<b>3</b>	<b>Purchase of services</b>		
	Talbro's Indiparts Private Limited	-	-
<b>4</b>	<b>Royalty income</b>		
	QH Talbro's Private Limited	124.09	124.30
	Talbro's Indiparts Private Limited	17.15	9.02
<b>5</b>	<b>Purchase of goods</b>		
	Nippon Leakless Talbro's Private Limited	3.21	73.07
	Talbro's Marugo Rubber Private Limited	-	1.08
<b>6</b>	<b>Lease rental income</b>		
	Marelli Talbro's Chassis Systems Private Limited	218.79	208.37
	Talbro's Indiparts Private Limited	17.17	16.35
<b>7</b>	<b>Reimbursement of expenses/payments</b>		
	Marelli Talbro's Chassis Systems Private Limited	114.72	96.98
	Talbro's Marugo Rubber Private Limited	0.20	3.23
	Talbro's International Private Limited	6.64	8.77
	QH Talbro's Private Limited	4.54	32.53
	Talbro's Indiparts Private Limited	10.42	42.26
<b>8</b>	<b>Dividend paid</b>		
	Talbro's International Private Limited	158.81	132.02
<b>9</b>	<b>Dividend Received</b>		
	Talbro's International Private Limited	261.41	55.73
	QH Talbro's Private Limited	80.08	26.69
	Marelli Talbro's Chassis Systems Private Limited	117.80	-

**Note: All transactions are inclusive of taxes, wherever applicable**

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 39 (CONTD.)**

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

S. No.	Balance Outstanding at the end of the year	March 31, 2024	March 31, 2023
<b>1</b>	<b>Outstanding balance included in financial assets (Trade receivable and other recoverable)</b>		
	Talbro's Marugo Rubber Private Limited	33.05	31.82
	Nippon Leakless Talbro's Private Limited*	26.76	-
	QH Talbro's Private Limited	1,760.80	1,760.03
	Talbro's Indiparts Private Limited	918.68	891.66
<b>2</b>	<b>Outstanding balance included in financial liabilities</b>		
	Nippon Leakless Talbro's Private Limited	-	6.92
	Marelli Talbro's Chassis Systems Private Limited	22.26	22.26
	Talbro's Marugo Rubber Private Limited	-	-
	Talbro's Indiparts Private Limited	-	-

\* Represents balance as on January 25, 2024

**(b) Transactions with key management personnel and their relatives :**

S. No.	Particulars	2023-24	2022-23
<b>1</b>	<b>Remuneration</b>		
	<b>Short-term employee benefits</b>		
	Mr. Umesh Talwar	181.80	163.13
	Mr. Anuj Talwar	181.80	139.70
	Mr. Manish Khanna	55.46	52.40
	Ms. Seema Narang	37.24	36.28
	<b>Other long-term benefits</b>		
	Mr. Umesh Talwar	2.81	(0.19)
	Mr. Anuj Talwar	0.75	(0.16)
	Mr. Manish Khanna	0.91	0.85
	Ms. Seema Narang	2.45	0.59
	<b>Post-employment benefits</b>		
	Mr. Umesh Talwar	30.18	16.23
	Mr. Anuj Talwar	17.88	13.03
	Mr. Manish Khanna	3.38	3.02
	Ms. Seema Narang	4.12	3.11
	<b>Fee for attending board &amp; committee meetings to all the KMP's</b>	10.65	11.10
<b>2</b>	<b>Rent paid</b>		
	Mrs. Kum Kum Talwar	7.20	7.20

Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE 40 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.**

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total consolidated income	Amount
<b>Parent</b>								
Talbro's Automotive Components Limited	91.17%	48,974.10	85.30%	9,380.48	100.06%	6,342.80	90.69%	15,723.28
<b>Joint venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Nippon Leakless Talbro's Private Limited	-	-	5.11%	561.89	0.00%	(0.24)	3.24%	561.65
Marelli Talbro's Chassis Systems Private Limited	7.08%	3,803.93	8.59%	944.65	-0.07%	(4.25)	5.42%	940.40
Talbro's Marugo Rubber Private Limited	1.75%	940.08	1.01%	110.61	0.01%	0.62	0.64%	111.23
<b>Total</b>	<b>100.00%</b>	<b>53,718.11</b>	<b>100.00%</b>	<b>10,997.63</b>	<b>100.00%</b>	<b>6,338.93</b>	<b>100.00%</b>	<b>17,336.56</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 41 GROUP INFORMATION****(a) Interests in joint ventures**

Set out below are joint ventures of the Holding Company as at March 31, 2024 which, in the opinion of the directors, are material to the Holding Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% equity interest	Relationship	Accounting method
Talbro Marugo Rubber Private Limited	India	50% less one share	Joint Venture	Equity method
Marelli Talbro Chassis Systems Private Limited	India	50%	Joint Venture	Equity method

**(i) Contingent liabilities and commitments (net of advance) in respect of joint ventures for which the Holding Company is liable.**

- (a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 477.56 Lacs (March 31, 2023: ₹ 212.56 Lacs).
- (b) Outstanding exports commitments against EPCG license amounting to Nil (March 31, 2023 : ₹ 158.20 Lacs).
- (c) Guarantees executed in favour of customers and authorities amounting to ₹ 74.25 Lacs (March 31, 2023: ₹ 87.15 Lacs).
- (d) Demand of excise duty amounting to Nil (March 31, 2023 : ₹ 2.70 Lacs).
- (e) **Income tax demands pending in appeals**  
Income tax demand on disallowance of expenditures amounting to ₹ 3.43 Lacs (March 31, 2023: ₹ 3.43 Lacs).
- (f) **Custom duty**  
Differential custom duty due to dispute over classification of goods amounting to Nil (March 31, 2023: ₹ 24.51 Lacs).
- (g) Bonus payable amounting to Nil (March 31, 2023: ₹ 1.33 Lacs).

**(ii) Summarised financial information for joint venture**

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Holding Company's share of those amounts.

Summarised balance sheet	Nippon Leakless Talbro Private Limited*		Talbro Marugo Rubber Private Limited		Marelli Talbro Chassis Systems Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Current assets</b>						
Cash and cash equivalents	-	608.79	135.19	92.13	263.10	187.50
Other assets	-	7,217.01	3,671.96	3,599.02	5,086.49	4,566.10
<b>Total current assets</b>	-	<b>7,825.80</b>	<b>3,807.15</b>	<b>3,691.15</b>	<b>5,349.59</b>	<b>4,753.60</b>
Property, plant and equipment	-	1,717.29	3,147.66	2,083.70	4,169.90	3,594.80
Other assets	-	115.63	1,346.61	941.28	3,484.99	2,798.10
<b>Total non-current assets</b>	-	<b>1,832.92</b>	<b>4,494.27</b>	<b>3,024.98</b>	<b>7,654.89</b>	<b>6,392.90</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 41 GROUP INFORMATION (CONTD.)

Summarised balance sheet	Nippon Leakless Talbros Private Limited*		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Current liabilities</b>						
Trade payables	-	1,136.81	3,165.94	2,900.40	2,920.61	2,215.60
Financial liabilities (excluding trade payables)	-	83.28	1,197.30	954.13	443.10	773.40
Other liabilities	-	67.72	25.76	115.67	446.50	344.90
<b>Total current liabilities</b>	<b>-</b>	<b>1,287.81</b>	<b>4,389.00</b>	<b>3,970.20</b>	<b>3,810.21</b>	<b>3,333.90</b>
<b>Non-current liabilities</b>						
Financial liabilities	-	-	1,935.40	1,008.00	1,086.00	1,417.50
Other liabilities	-	55.20	96.85	80.20	500.41	432.40
<b>Total non-current liabilities</b>	<b>-</b>	<b>55.20</b>	<b>2,032.25</b>	<b>1,088.20</b>	<b>1,586.41</b>	<b>1,849.90</b>
<b>Net assets</b>	<b>-</b>	<b>8,315.71</b>	<b>1,880.17</b>	<b>1,657.73</b>	<b>7,607.86</b>	<b>5,962.70</b>

### Reconciliation to carrying amounts

Summarised balance sheet	Nippon Leakless Talbros Private Limited*		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Opening net assets</b>	8,315.71	7,134.92	1,657.73	1,381.97	5,962.70	4,817.16
Profit/ (loss) for the year	1,404.73	1,179.16	221.22	283.92	1,889.30	1,147.54
Other comprehensive income	(0.61)	1.63	1.25	(8.16)	(8.50)	(2.00)
Dividends paid	-	-	-	-	(235.60)	-
<b>Closing net assets</b>	<b>9,719.83</b>	<b>8,315.71</b>	<b>1,880.20</b>	<b>1,657.73</b>	<b>7,607.90</b>	<b>5,962.70</b>
Holding Company's share in %	40.00%	40.00%	50.00%	50.00%	50.00%	50.00%
Holding Company's share in Indian Rupees	3,887.93	3,326.29	940.10	828.85	3,803.95	2,981.33
Sale of investment in joint venture	(3,887.93)	-	-	-	-	-
<b>Carrying amount as at March 31, 2024 and March 31, 2023</b>	<b>-</b>	<b>3,326.29</b>	<b>940.10</b>	<b>828.85</b>	<b>3,803.95</b>	<b>2,981.33</b>

### Summarised statement of profit and loss

Summarised balance sheet	Nippon Leakless Talbros Private Limited*		Talbro's Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue	7,923.38	8,615.24	12,246.89	8,531.81	25,991.30	20,979.70
Other income	339.19	271.33	24.06	2.23	29.80	19.00
Depreciation and amortisation	226.16	311.85	355.00	177.76	709.40	701.80



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 41 GROUP INFORMATION (CONTD.)**

Summarised balance sheet	Nippon Leakless Talbros Private Limited*		Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Income tax expense	479.98	422.20	89.97	138.84	781.40	483.30
<b>Profit/(loss) for the year</b>	<b>1,404.73</b>	<b>1,179.16</b>	<b>221.22</b>	<b>283.92</b>	<b>1,889.30</b>	<b>1,147.54</b>
Other comprehensive income	(0.61)	1.63	1.25	(8.16)	(8.50)	(2.00)
<b>Total comprehensive income</b>	<b>1,404.12</b>	<b>1,180.79</b>	<b>222.47</b>	<b>275.76</b>	<b>1,880.80</b>	<b>1,145.54</b>

\*During the quarter ended March 31, 2024, the Company has completed the process of disinvesting and selling its entire 40% stake in its Joint Venture “ Nippon Leakless Talbros Private Limited” Constituting 48,00,000 fully paid-up equity shares of ₹ 10 each for ₹ 81.80 Crores. The net gain from the transaction has been disclosed as exceptional items in the results. The capital gain tax on sale of investment has been disclosed as part of the tax expense in the results. Following table provides bifurcation between exceptional items & capital gain tax on sale of investment & related tax expense. The sale proceed process was completed on January 25, 2024.

**NOTE - 42****Contingent liabilities and commitments (to the extent not provided for)****A Contingent liabilities**

(1) Claims against the Holding Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2024	March 31, 2023
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	38.67	38.67
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lacs paid under protest, March 31, 2019: ₹ 4.13 Lacs)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	40.74	50.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
<b>Total</b>		<b>452.86</b>	<b>462.86</b>

\*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 251.25 Lacs (March 31, 2023: ₹ 207.89 Lacs).

**B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 1446.79 Lacs (March 31, 2023: ₹ 1875.11 Lacs).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 43

#### (i) Leases disclosure as lessee

##### Operating leases

**A** The Holding Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Holding Company by entering into these leases and there are no subleases. The Holding Company is prohibited from selling or pledging the underlying leased assets as security.

##### **B** Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2024	March 31, 2023
Non-current	987.13	-
Current	263.15	5.63
<b>Total</b>	<b>1,250.28</b>	<b>5.63</b>

**C** The table below describes the nature of the Holding Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	2-9	5.31
Land	2	68-74	71.20

**D** Future minimum lease payments as on March 31, 2024 are as follows:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
<b>Minimum lease payments due</b>						
Within 1 year	280.62	103.91	176.71	5.74	0.11	5.63
1-5 years	1,163.09	222.65	940.44	-	-	-
5 years or more	155.61	22.48	133.13	-	-	-
	<b>1,599.32</b>	<b>349.04</b>	<b>1,250.28</b>	<b>5.74</b>	<b>0.11</b>	<b>5.63</b>

**E** Lease payments not recognised as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2024	March 31, 2023
Short term leases	15.71	19.94
Leases of low value assets	-	-
Variable lease payments	-	-
<b>Total</b>	<b>15.71</b>	<b>19.94</b>

**F** Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Carrying amount	Depreciation expense
<b>As on March 31, 2023</b>		
Vehicles	-	0.55
Building	5.32	11.42
Land	346.77	4.60
	<b>352.09</b>	<b>16.57</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 43 (CONTD.)**

Particulars	Carrying amount	Depreciation expense
<b>As on March 31, 2024</b>		
Vehicles	-	-
Building	1,276.52	73.06
Land	342.17	4.60
	<b>1,618.69</b>	<b>77.66</b>

**(ii) Leases disclosure as lessor****Operating leases**

The Holding Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 245.31 Lacs (March 31, 2023: ₹ 213.82 Lacs) on such lease is included in other income. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 25). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2024	March 31, 2023
Within one year	233.51	222.39
Later than one year but not later than five years	453.88	639.22
Later than five years	-	-

**NOTE - 44****Employee benefits****1 Defined contribution plans:**

- A** The Holding Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Holding Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Holding Company:

**Provident Fund Plan & Employee Pension Scheme:** The Holding Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

**Superannuation Scheme:** The Holding Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

- B** The expense recognised during the period towards defined contribution plans are as follows:

Particulars	March 31, 2024	March 31, 2023
(a) Employer's contribution to Provident fund & other funds	251.01	224.56
(b) Employer's contribution to superannuation fund	7.33	8.02

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 44 (CONTD.)

#### 2 Other Long Term Employee Benefits

##### A Compensated absences- Earned leave

###### Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

##### i) Amounts recognised in the balance sheet

Particulars	March 31, 2024	March 31, 2023
Present value of obligation at the end of the year	344.62	319.11
Fair value of plan assets	-	-
Unfunded liability recognised in balance sheet	(344.62)	(319.11)

##### ii) Expenses recognised in statement of profit and loss

Particulars	March 31, 2024	March 31, 2023
Current service cost	106.82	94.35
Interest cost	20.84	19.97
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	(15.07)	(4.62)
- Changes in experience adjustment	(15.18)	(35.41)
<b>Cost recognised during the year</b>	<b>97.41</b>	<b>74.29</b>

##### iii) Movement in the liability recognised in the balance sheet is as under:

Particulars	March 31, 2024	March 31, 2023
Present value of defined benefit obligation at the beginning of the year	319.11	307.59
Current service cost	106.82	94.35
Interest cost	20.84	19.97
Actuarial (gain)/loss net	(30.25)	(40.03)
Benefits paid	(71.90)	(62.77)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>344.62</b>	<b>319.11</b>

##### iv) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.36%
Salary escalation rate*	5.5/20%	6.00%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

\*20% salary rise every 4 years for specified employee(s)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 44 (CONTD.)****3 Defined benefit plans:****A Gratuity****Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**i) Amounts recognised in the balance sheet**

Particulars	March 31, 2024	March 31, 2023
Present value of obligation at the end of the year	854.81	810.56
Fair value of plan assets	1,072.18	1,120.64
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognised in balance sheet	217.37	310.08

**ii) Expenses recognised in other comprehensive income**

Particulars	March 31, 2024	March 31, 2023
Return on plan assets	(2.79)	3.17
Actuarial (gain)/loss on PBO	45.31	(34.42)
(Gain)/expenses recognised in other comprehensive income	<b>42.52</b>	<b>(31.25)</b>

**iii) Actuarial (gain)/loss on obligation**

Particulars	March 31, 2024	March 31, 2023
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(35.06)	(6.92)
- Changes in experience adjustment	80.37	(27.50)

**iv) Expenses recognised in statement of profit and loss**

Particulars	March 31, 2024	March 31, 2023
Current service cost	73.01	63.00
Interest cost (net)	(22.82)	(19.56)
<b>Cost recognised during the year</b>	<b>50.19</b>	<b>43.44</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 44 (CONTD.)

**v) Movement in the liability recognised in the balance sheet is as under:**

Particulars	March 31, 2024	March 31, 2023
Present value of defined benefit obligation at the beginning of the year	810.56	783.90
Current service cost	73.01	63.00
Interest cost	54.91	54.63
Actuarial (gain)/loss net	45.32	(34.42)
Benefits paid	(128.99)	(56.55)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>854.81</b>	<b>810.56</b>

**vi) Movement in the fair value of plan assets recognised in the balance sheet is as under:**

Particulars	March 31, 2024	March 31, 2023
Present value of plan assets at the beginning of the year	1,120.64	1,002.67
Return on plan assets	80.53	71.02
Contributions by employer	-	103.50
Benefits paid during the year	(128.99)	(56.55)
<b>Present value of plan assets at the end of the year</b>	<b>1,072.18</b>	<b>1,120.64</b>

**vii) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:**

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.36%
Salary escalation rate	6.00%	6.00%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

**vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)**

For the year ended March 31, 2024	For the year ended March 31, 2023	March 31, 2024	March 31, 2023
April 2024- March 2025	April 2023- March 2024	263.35	272.59
April 2025- March 2029	April 2024- March 2028	182.23	192.28
April 2029- March 2034	April 2028- March 2033	271.72	208.34
April 2034 onwards	April 2033 onwards	899.72	864.79

**vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)**

For the year ended March 31, 2024	For the year ended March 31, 2023	March 31, 2024	March 31, 2023
April 2024- March 2025	April 2023- March 2024	265.97	274.91
April 2025- March 2029	April 2024- March 2028	229.00	236.89
April 2029- March 2034	April 2028- March 2033	510.96	387.99
April 2034 onwards	April 2033 onwards	3,094.03	2,733.17

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 44 (CONTD.)****viii) Sensitivity analysis for defined benefit obligation**

Particulars	March 31, 2024	March 31, 2023
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	800.65	761.39
Impact due to decrease of 1.00 %	917.08	867.27
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	932.75	867.48
Impact due to decrease of 1.00 %	788.10	760.37

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 14 to 19 years (March 31, 2022: 14 to 19 years).

**NOTE - 45**

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2024 is ₹ 304.10 Lacs (March 31, 2023: ₹ 258.87 Lacs)

**NOTE - 46****Disclosures as per the requirements of Division II of Schedule III to the Act****A Ageing schedule of capital work-in-progress**

March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.81	32.16	1.80	-	<b>734.77</b>
March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	473.57	4.16	-	-	<b>477.73</b>

**B Ageing schedule of trade receivables**

March 31, 2024	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	16,402.24	4,170.00	255.07	262.58	-	-	21,089.89
Undisputed trade receivables – credit impaired	-	-	-	41.97	270.63	199.25	511.85
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 46 (CONTD.)

March 31, 2024	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Gross Trade Receivable</b>	<b>16,402.24</b>	<b>4,170.00</b>	<b>255.07</b>	<b>304.55</b>	<b>270.63</b>	<b>199.25</b>	<b>21,601.74</b>
Less: Allowance for expected credit loss							568.99
<b>Total</b>							<b>21,032.75</b>

March 31, 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	14,023.44	2,345.09	171.58	370.80	-	-	16,910.91
Undisputed trade receivables – credit impaired	-	-	-	63.13	106.39	142.03	311.55
Disputed trade receivables - credit impaired	-	-	-	-	-	19.14	19.14
<b>Gross Trade Receivable</b>	<b>14,023.44</b>	<b>2,345.09</b>	<b>171.58</b>	<b>433.93</b>	<b>106.39</b>	<b>161.17</b>	<b>17,241.60</b>
Less: Allowance for expected credit loss							388.39
<b>Total</b>							<b>16,853.21</b>

### C Ageing schedule of trade payables

March 31, 2024	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	847.81	-	-	-	-	847.81
Others	13,033.66	2,853.20	11.71	18.25	3.33	15,920.15
<b>Total</b>	<b>13,881.47</b>	<b>2,853.20</b>	<b>11.71</b>	<b>18.25</b>	<b>3.33</b>	<b>16,767.96</b>

March 31, 2023	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	305.91	-	-	-	-	305.91
Others	13,616.45	2,879.29	84.99	5.47	-	16,586.20
<b>Total</b>	<b>13,922.36</b>	<b>2,879.29</b>	<b>84.99</b>	<b>5.47</b>	<b>-</b>	<b>16,892.11</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 46 (CONTD.)****D Details of promoter shareholding**

Name of promoter	March 31, 2024			March 31, 2023		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbro International Private Limited	2,64,77,983	42.89%	0.04%	2,64,67,635	42.88%	0.42%

**NOTE - 47****Segment information**

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

**i Information about major customers**

There is only one customer that contributes more than 10% of the total revenue from operating activities on an individual basis.

**ii Information about geographical areas**

Particulars	March 31, 2024	March 31, 2023
<b>Revenue from operations attributed to:</b>		
Country of domicile (India)	55,176.61	46,248.19
Foreign countries	22,650.07	18,470.13
<b>Total</b>	<b>77,826.68</b>	<b>64,718.32</b>

**NOTE - 48****Disclosure required under Section 186 (4) of The Companies Act, 2013:****(a) Investments made:**

Name of the investee	Amount invested during the year 2023-24	Amount as on March 31, 2024	Amount invested during the year 2022-23	Amount as on March 31, 2023
<b>Investment in equity instruments</b>				
<b>Investment in Joint ventures</b>				
(i) Nippon Leakless Talbro Private Limited	-	-	-	480.00
(ii) Marelli Talbro Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(iii) Talbro Marugo Rubber Private Limited	-	950.00	-	950.00

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

### NOTE - 48 (CONTD.)

Name of the investee	Amount invested during the year 2023-24	Amount as on March 31, 2024	Amount invested during the year 2022-23	Amount as on March 31, 2023
<b>Investment in others</b>				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
<b>Total</b>	<b>-</b>	<b>2,784.07</b>	<b>-</b>	<b>3,264.07</b>

### (b) Inter corporate deposits given (proposed to be utilised for business purposes):

Name of the payee	Paid/ (recovered) during the year 2023-24	Outstanding amount as on March 31, 2024*	Paid/ (recovered) during the year 2022-23	Outstanding amount as on March 31, 2023*
(i) Fastech Builders Private Limited	(45.00)	-	-	45.00
(ii) Fastech Projects Private Limited	(15.00)	-	(25.00)	15.00
(iii) Bankey Bihari Engineers LLP	(10.00)	75.00	(15.00)	85.00
(iv) Express Engineers & Spares Private Limited	(35.00)	165.00	-	200.00
<b>Total</b>	<b>(105.00)</b>	<b>240.00</b>	<b>(40.00)</b>	<b>345.00</b>

\* Outstanding amount excludes interest accrued on deposits.

### (c) Guarantee given (proposed to be utilised for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2024	Outstanding amount as on March 31, 2023
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

### NOTE - 49

Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.
- (ii) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (iv) The Group has not traded or invested in cryptocurrency or virtual currency during the year.
- (v) The Group does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)**

(All amounts in ₹ Lacs, unless otherwise stated)

**NOTE - 49 (CONTD.)**

- (vi) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (“Intermediaries”) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Group (‘ultimate beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (“Funding party”) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) The Group does not have any transactions with companies struck off.
- (ix) The Group has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

**For J.C Bhalla & Co**  
Chartered Accountants  
Firm Registration No.: 001111N

per **Akhil Bhalla**  
Partner  
Membership No. 505002

Place: Gurugram  
Date: May 22, 2024

**For and on behalf of Talbros Automotive Components Limited**

**Anuj Talwar**  
Joint Managing Director  
[DIN: 00628063]

**Umesh Talwar**  
Vice Chairman and Managing Director  
[DIN: 00059271]

**Manish Khanna**  
Chief Financial Officer

**Seema Narang**  
Company Secretary







# Corporate Information

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## Board of Directors

**Mr. Naresh Talwar**  
(Chairman)

**Mr. Umesh Talwar**  
(Vice Chairman & Managing Director)

**Mr. Varun Talwar**  
(Joint Managing Director)

**Mr. Vidur Talwar**

**Mr. Anuj Talwar**  
(Joint Managing Director)

**Mr. Anil Kumar Mehra**

**Mr. Amit Burman**

**Mr. Navin Juneja**

**Ms. Priyanka Gulati**

**Mr. Deepak Jain**

**Mr. Ajay Kumar Vij**

**Mr. Tarun Singhal**

**Mr. Rajat Verma**

**Mr. Rakesh Vohra**

## Chief Financial Officer

**Mr. Manish Khanna**

## Company Secretary & Compliance Officer

**Mrs. Seema Narang**

## Main Bankers

- HDFC Bank Limited
- Axis Bank Limited
- Federal Bank Limited
- DBS Bank India Limited
- Bajaj Finance Limited
- YES Bank Limited

## Auditors

J. C. Bhalla & Co.,  
Chartered Accountants,  
B- 5, Sector-6, Noida 201301

## Registrar and Share Transfer Agent

KFin Technologies Limited,  
Karvy Selenium Tower B,  
Plot number 31 & 32,  
Financial District, Gachibowli,  
Hyderabad 500032

## Stock Exchanges where Shares are Listed

- National Stock Exchange of India Limited (NSE)
- BSE Limited (BSE)

## Corporate Identification Number

L29199HR1956PLC033107

## Website

[www.talbro.com](http://www.talbro.com)



CIN - L29199HR1956PLC033107

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