



## TALBROS ENGINEERING LIMITED

# 25TH ANNUAL REPORT 2010-2011

### BOARD OF DIRECTORS

RAJESH TALWAR (Chairman)  
TARUN TALWAR (Managing Director)  
M.L. GUPTA (Director)  
JAYANT HARI HAR LAL (Director)

### BANKER

BANK OF INDIA

### AUDITORS

M/s. RAKESH RAJ & ASSOCIATES  
CHARTERED ACCOUNTANTS  
PLOT NO. 565, SECTOR-7B,  
FARIDABAD 121 006 (HARYANA)

### REGISTERED OFFICE

PLOT NO. 74-75, SECTOR-6,  
FARIDABAD 121 006 (HARYANA)  
PHONES : 0129-4284300

### WORKS

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

PLOT NO. 35-38  
INDL. AREA, HATHIN,  
DISTT. PALWAL (HARYANA)

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## NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of Talbro's Engineering Limited will be held on Saturday, the 26th day of September, 2011 at 11.30 a.m. at hotel "Delite", 17, Neelam Bata Road, NIT, Faridabad, Haryana, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the report of Board of Directors' and Auditors' thereon.
2. To declare dividend on the equity shares for the financial year 2010-11.
3. To appoint a Director in place of Mr. Mohan Lal Gupta, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr Jayant H H Lal , who was appointed as an Additional Director in the meeting of the Board of Directors held on 31.01.2011 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company w.e.f. 27.09.2011 whose period of office will be liable to determination by retirement of directors by rotation.

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

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

"RESOLVED THAT Shri Kartik Talwar be and is hereby appointed as a Director of the Company w.e.f. 27.09.2011 pursuant to the provisions of Section 257 (1) of the Companies Act, 1956 whose period of office will be liable to determination by retirement of directors by rotation.

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

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

"RESOLVED THAT Shri Sunil Kumar be and is hereby appointed as a Director of the Company w.e.f. 27.09.2011 pursuant to the provisions of Section 257 (1) of the Companies Act, 1956 whose period of office will be liable to determination by retirement of directors by rotation.

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

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

"RESOLVED THAT pursuant to Article 52 and Article 53 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the consent of the company be and is hereby accorded for re-appointment of Shri Tarun Talwar, Director of the company who was designated as the Managing Director of the company by the Board of directors with effect from 01.02.2011, as the Managing Director for a period of 5 years w.e.f. 27.09.2011 and he shall receive the remuneration w.e.f. 01.10.2011 for a period of 3 years as per details given hereunder:

#### A. Remuneration:

- (a) Basic Salary: Rs.75000/- P.M.
- (b) House Rent Allowance: 37500/- P.M.
- (c) Conveyance Allowance Rs12000/- P.M.
- (d) Reimbursement of Medical expenses Rs. 2500/- P.M.



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- (e) Others Rs 12790/- P.M.
- (f) Contribution towards Provident Fund & Superannuation Fund or Annuity Fund –As per Rules of the Company Rs.10210/- P.M.

**RESOLVED FURTHER** THAT subject to provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions, in case of adequacy of profits, Board of Directors be and is hereby authorized to pay the remuneration, by way of salary, dearness allowance, perquisites, commission and other allowances, which shall not exceed 5 per cent of its net profits in place of above fixed remuneration and if no decision is being made regarding payment of remuneration by way of commission in case of inadequacy of profit, the above salary will continue.

**RESOLVED FURTHER** that pursuant to the Articles of Association of the Company, Shri Tarun Talwar shall not retire by rotation.

**RESOLVED FURTHER** that from the date of application of this resolution, the resolutions passed by the shareholders of the company in 22nd AGM regarding reappointment of Managing director and in 24th AGM re-

garding revision of remuneration of Shri Tarun Talwar will become ineffective.

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

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

**“RESOLVED THAT** pursuant to Article 52 and Article 53 of the Articles of Association of the Company and in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, the consent of the company be and is hereby accorded for reappointment of Shri Rajesh Talwar as whole time director designated as Chairman for a period of 5 years w.e.f. 27.09.2011 whose period of office will not be liable to determination by retirement of directors by rotation.

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

By order of the Board  
for Talbro's Engineering Limited

(TARUN TALWAR)  
Managing Director

Place: Faridabad  
Date: 20.08.2011

### NOTES

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself. A proxy need not be a member of the Company. The duly completed proxy forms should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting. The proxy form is given in this Annual Report.
2. A proxy may not vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2011 to September 26, 2011, both days inclusive, for determining the names of the members eligible to receive dividend on equity shares, if declared in the meeting.
4. Final dividend on equity shares as recommended by the directors for the year ended March 31, 2011, if declared, at the annual general meeting will be paid on or after October 01, 2011:
  - i. To those members whose name appear on the Company's register of members, after giving effect to all the valid transfers in physical form lodged with M/s. Beetal Financial & Computer Services Private Limited, Share Transfer Agent of the Company, on or before September 26, 2011.
  - ii. In respect of shares held in electronic form, to those “deemed members” whose name appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on September 26, 2011.
5. The members holding shares in physical form are requested to notify immediately change of address, if any, to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited, BEETAL HOUSE, 3<sup>rd</sup> Floor, 99, Madangir, B/H Local Shopping Complex, New Delhi-110062. Members holding shares in demat form are requested to notify immediately change of address, if any, to their concerned Depository Participant (DP) and not to the company. Members are requested to quote their Ledger Folio Number or DP ID and client ID Number for any correspondence.



6. In order to enable the company to remit dividend through National Electronic Clearance Services (NECS), members are requested to provide details of their bank accounts indicating name of the bank, branch, account number and the nine digit MICR code (as appearing on the cheque). It is advisable to attach a photocopy of the cheque leaf / or cancelled cheque leaf. The said information should be submitted to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited, if the shares are held in physical form and if held in electronic form, to their concerned Depository Participant (DP). Payment through NECS shall be subject to the availability of the NECS centers and timely furnishing of the correct and complete information by the members.
7. Members desiring any information on the accounts at the meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
8. Members are requested to take their seats in the Meeting Hall before the scheduled time of commencement of the Annual Proceedings.
9. Please bring your attendance slip along with Annual Report to the meeting as the same will not be distributed in the meeting.
10. Members/Proxies may also please note that only Tea/ Coffee will be served and no gift will be distributed at the venue of Annual General Meeting or elsewhere.
11. The Ministry of Corporate Affairs(MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated 21 and 29 April 2011 respectively has allowed companies to send official documents to their shareholders electronically. We request shareholders to update their email address with their concerned Depository Participant (DP) and if the shares are held in physical form to the Share Transfer Agent of the Company i.e. M/s. Beetal Financial & Computer Services Private Limited or at beetalrta@gmail.com alongwith names, address and folio number for registration.

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

Place : Faridabad  
Date: 20.08.2011

(Tarun Talwar)  
Managing Director

## **ANNEXURE TO THE NOTICE DATED 20th AUGUST, 2010**

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

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

#### **ITEM No. 5**

Mr. Jayant H H Lal was appointed as an Additional Director by the Board of Director w.e.f. January 31, 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956.

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

Mr. Jayant H H Lal is a B.Tech from IIT Kanpur .The Board feels that his presence on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

Mr. Jayant H H Lal holds no shares in the company. Companies(other than Talbro's Engineering Limited) in which Jayant H H Lal holds directorship in terms of section 275 of the Companies Act, 1956 is nil.

None of the Directors, except Mr. Jayant H H Lal is concerned or interested in this resolution.

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

#### **ITEM No. 6**

Mr. Kartik Talwar has expressed his willingness to act as independent director of the company. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

Mr. Kartik Talwar is a management graduate. The Board feels that his presence on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption.



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None of the Directors, except Mr. Kartik Talwar and Mr. Rajesh Talwar, related to him are concerned or interested in this resolution.

Mr. Kartik Talwar holds 11382 shares in the company. Companies (other than Talbro's Engineering Limited) in which Mr. Kartik Talwar holds directorship in terms of section 275 of the Companies Act, 1956 is nil.

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

### ITEM No. 7

Mr. Sunil Kumar has expressed his willingness to act as independent director of the company. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

Mr. Kumar is M.Phil. The Board feels that his presence on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 7 for adoption.

Mr. Sunil Kumar holds no shares in the company. Companies (other than Talbro's Engineering Limited) in which Mr. Sunil Kumar holds directorship in terms of section 275 of the Companies Act, 1956 is nil.

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

The Board recommends resolutions under Item No. 7 to be passed as ordinary resolution.

### ITEM No. 8

Mr. Tarun Talwar, s/o Shri Rajesh Talwar, Director of the company, has joined this organization in 2009 as Manager-Operations. The company richly benefited by his vision and expertise, so the Board of directors appointed him as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 w.e.f 15.05.2009 in the Board meeting held on 30.04.2009 and reappointed as a whole time director liable to retire by rotation in the annual general meeting held on 19th September, 2009. The Board has entrusted him with the responsibilities of Managing Director w.e.f. 01.02.2011 in the Board meeting held on 31.01.2011.

In accordance with the provisions of Schedule XIII of the Companies Act, 1956, Mr. Tarun Talwar has been drawing a remuneration of Rs.1,00,000 p.m. since 1st October 2010. The remuneration committee considered that the company is growing and thereby increasing the job responsibility of the director. The committee and the Board hence felt that his hard work should be suitably remunerated. The members of the Remuneration Committee in the meeting held on 26th July 2011, passed resolutions regarding the remuneration of Sh. Tarun Talwar, Managing Director for a period of three years w.e.f. 01.10.2011 for a period of 3 years as per details

given in the resolutions at item no. 08. The Board of Directors of the Company (The Board) in the meeting held on 20th August 2011, passed resolutions regarding revision of remuneration (as recommended by the Remuneration Committee) of Sh. Tarun Talwar, Managing Director for a period of three years w.e.f 01.10.2011, subject to the approval of the members of the Company at the forthcoming Annual General Meeting.

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

#### 1. GENERAL INFORMATION

##### Nature of Industry

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

##### Date of Commencement of Commercial Production

The Company commenced its commercial production in the year 1986.

##### Financial Performance

(Rs. In Lacs.)

Particulars	2008-09	2009-10	2010-11
Sales	6170.13	6215.71	8350.22
Profit Before Tax	100.53	148.58	412.84
Profit After Tax	66.43	103.32	260.71

##### Export Performance

During the year 2010-11, the export sales of the Company grew by 42.40% to Rs. 1659.61 Lacs as compared to Rs.1165.42 Lacs in the previous financial year.

#### II. INFORMATION ABOUT SH. TARUN TALWAR

##### Background Details:

Sh. Tarun Talwar is 30 years of age and has done MS in Accountancy and a member of Institute of Certified Public Accountants (CPA).

##### Past Remuneration

Details of monthly remuneration during the period from 01.10.2010 to 25.09.2011.

(Amount in Rs.)

Basic	50,000
HRA	25,000
Perquisites	25,000
<b>Total</b>	<b>1,00,000</b>

##### Job Profile

Sh. Tarun Talwar has worked with KPMG as consultant for 3 years in New York. He joined the organization in



2009 and under his dynamic leadership the company is maintaining cordial industrial relations without loss of any men-hours resulting into higher productivity for the Company. He is also engaged in the strategic planning, business promotion, monitoring long-term plan of the Company besides upgradation of technology

**Proposed Remuneration**

In accordance with the recommendation of the Remuneration Committee, change in the remuneration of Sh. Tarun Talwar is proposed for a period of 3 years w.e.f.01.10.2011 as mentioned in item no 8.

**Comparative Remuneration Profile with Respect to Industry**

Based on the resolution passed by the Remuneration Committee revising remuneration of Sh. Tarun Talwar w.e.f. 01.10.2011 for a period of three years, the Board of Directors considers that the remuneration and perquisites proposed to be paid are commensurate with their duties and responsibilities. The proposed remuneration is in line with the remuneration being paid to other Whole time Directors in the industry.

**Pecuniary Relationship with the Company**

Sh. Tarun Talwar is related to Rajesh Talwar, Promoter and erstwhile Chairman and Director of the Company. He holds 65294 shares in the company.

**III. OTHER INFORMATION**

**Outlook**

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

**Expected Increase in Productivity and Profits in Measurable Terms**

(Rs. In Lacs.)

Particulars	2010-11	2011-12	2012-13
Gross Sales	9019.58	11000.00	12500.00
Profit Before Tax	412.84	600.00	700.00

**IV. DISCLOSURES**

The shareholders of the Company have been informed about the remuneration of Sh. Tarun Talwar as per details given in the resolution at item no.08 in the notice of this Annual General Meeting attached to the annual report.

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

None of the Directors, except Mr. Tarun Talwar and Mr. Rajesh Talwar, related to him are concerned or interested in this resolution.

The Board recommends resolutions under Item No. 8 to be passed as ordinary resolution.

The above may also be treated as disclosure to members under Sec. 302 of the Companies Act, 1956.By order of the Board

**ITEM No. 9**

Mr. Rajesh Talwar, erstwhile Chairman and Managing Director of the company, has taken this organization to the heights of success. The company richly benefited by his vision and expertise, so the Board recommends his reappointment as a whole time director whose period of office will not be liable to determination by retirement of directors by rotation.

None of the Directors, except Mr. Rajesh Talwar and Mr. Tarun Talwar, related to him are concerned or interested in this resolution.

The Board recommends resolutions under Item No.9 to be passed as ordinary resolution.

The above may also be treated as disclosure to members under Sec. 302 of the Companies Act, 1956.

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

Place : Faridabad  
Date: 20.08.2011

(Tarun Talwar)  
Managing Director



## DIRECTORS' REPORT

### To The Members,

The Directors have pleasure in presenting 25th Annual Report of the Company together with the audited accounts for the year ended on 31st March 2011.

### FINANCIAL HIGHLIGHTS:

Financial Results:	(Rs. in Lacs)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
<b>Sales Turnover (Gross)</b>	9019.58	6636.84
Profit before Interest and Depreciation	840.14	502.36
Less: Interest	260.26	198.61
Depreciation	<u>167.04</u>	<u>155.17</u>
<b>Profit before Taxation</b>	412.84	148.58
Less: Provision for Current Tax & F.B.T.	109.02	23.12
Provision for Deferred Tax	<u>43.11</u>	<u>22.14</u>
<b>Profit After Tax</b>	260.71	103.32
Add: Balance brought forward from the previous year	<u>588.32</u>	<u>536.51</u>
<b>Profit Available for Appropriation</b>	849.03	639.83
<b>Appropriations:</b>		
Proposed Dividend	35.26	35.26
Corporate Dividend Tax	5.85	5.85
Transfer to General Reserve	26.10	10.40
Balance Carried Forward	<u>781.82</u>	<u>588.32</u>
<b>Total</b>	<u><u>849.03</u></u>	<u><u>639.83</u></u>

### DIVIDEND & APPROPRIATION OF PROFITS:

We recommend a dividend of Rs. 2.50 per share. The total dividend payout amount including Corporate Dividend Tax is Rs. 41.11 lacs as against Rs. 41.11 in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 15.77 % as compared to 39.79% in the previous year. The register of members and share transfer books will remain closed from September 20, 2011 to September 26, 2011 (both days inclusive). Our annual general meeting has been scheduled for September 26, 2011.

### OPERATIONS:

- I. Your company has shown sales turnover of Rs. 9019.58 Lacs in this financial year ended on 31.03.2011 as against Rs.6636.84 Lacs for the previous financial year. Net profit after tax for this year is Rs. 260.71 Lacs as compared to Rs. 103.32 Lacs for the previous financial year.
- II. Reserves & Surplus as on 31.03.2011 will stand at Rs. 1232.80 Lacs as against the paid-up capital of Rs.141.01 Lacs.

### EXPORTS:

Exports turnover (F.O.B. value) for the year ended on 31.03.2011 was Rs. 1659.61 Lacs as compared to Rs. 1165.42 Lacs for the previous financial year.

### BUSINESS OUTLOOK FOR THE COMING YEAR:

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

During the first four-month period from April-July 2011 of the Financial Year 2011-12, the company has already booked total sales growth of 35.40%. The growth in export market alone during this period is 60.19%.

### PERSONNEL:

None of employees are covered pursuant to Sec.217 (2A) of the Companies, Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended on 31st march 2011.

### FIXED DEPOSITS:

There are no unclaimed deposits at the year-end.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

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

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Expenditure in foreign exchange for Foreign Travel Rs.26,47,720/- and Commission on Export Sales Rs.2,01,127. Meanwhile, earning in foreign exchange value of export on F.O.B. basis is Rs.16,59,61,067/-.

### AUDITORS' OBSERVATION:

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

### DIRECTORS:

During the year under review, Mr. Tarun Talwar was redesignated as the Managing Director and being eligible offers himself for re-appointment as Managing Director. In accordance with the provision of the Companies Act, 1956

and the Company's Articles of the Association, Mr. Rajesh Talwar seeks reappointment as whole time director designated as chairman whose period of office will not be liable to determination by retirement of directors by rotation.

Mr. Tushar Kanti Chopra resigned from the board on 20.01.2011 and Mr. Jayant H H Lal was appointed as independent additional director u/s 260 of the Companies Act, 1956 on 31.01.2011 and being eligible offers himself for re-appointment as director liable to retire by rotation. Mr. Kartik Talwar and Mr. Sunil Kumar also being eligible offer themselves for appointment as director liable to retire by rotation u/s 257 of the Companies Act, 1956.

Mr. M.L. Gupta who retires by rotation being eligible offers himself for re-appointment as director liable to retire by rotation u/s 257 of the Companies Act, 1956.

#### **AUDITORS:**

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

#### **INFORMATION REGARDING LISTING OF SHARES AT DELHI STOCK EXCHANGE:**

Equity shares of the company including shares issued during Rights Issue are listed with The Delhi Stock Exchange Association Ltd. The Company has paid the listing fee for the year 2011-2012.

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

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

- (i) That in the preparation of the accounts for the financial year ended on 31st March 2011, the applicable accounting standards have been followed and there is no material departure from the applicable Accounting Standards;

- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended on 31st March 2011 on a going concern basis.

#### **DEMATERIALIZATION OF SHARES:**

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

#### **COMPLIANCE CERTIFICATE:**

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

#### **ACKNOWLEDGEMENT:**

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

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

**For and on behalf of the Board**

Place : Faridabad

Date: 20.08.2009

**Tarun Talwar**  
Managing Director





## TALBROS ENGINEERING LIMITED

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

#### FORM A

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

	Current Year	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(A) Purchased		
Unit	6545997	50,22,201
Total Amount	Rs. 34117626	Rs.2,24,03,690
Rate Per Unit	Rs. 5.21	Rs.4.46
(B) Own Generation		
(i) Through Diesel Generator		
Unit	1650079	20,20,627
Unit per ltr of Diesel Oil	5.76	5.74
Cost per Unit	Rs. 6.03	Rs.5.40
(ii) Through Steam Turbine/Generator Unit	NIL	NIL
Unit per-ltr of Fuel Oil/Gas Cost/Unit	NIL	NIL
2. Coal (Specify Quality and where used)	NIL	NIL
Quantity (Tonnes)		
Total Cost		
Average Rate		
3. LDO		
Quantity (ltrs.)	1008000	13,12,000
Total Amount	Rs. 26580280	Rs.3,01,62,521
Average Rate	Rs. 26.37	Rs.22.99
4. Others/Internal Generation		
(Please give details)		
Quantity	NIL	NIL
Total Cost	NIL	NIL
Rate Per Unit	NIL	NIL
B. Consumption per unit of Production	Current Year	Previous Year
	1	1
Products (with details) Unit      Axles		
Electricity (units)	9.49	9.48
LDO (K.ltrs)	1.23	1.96
Coal (Specify Quality)	NIL	NIL
Others (Specify)	NIL	NIL

**FORM B**  
**(See rule 2)**  
**FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

Details of efforts made in technology absorption are given below.

**Research and development (R&D)**

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

**Technology absorption, adaptation and innovation**

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



### COMPLIANCE CERTIFICATE

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

To  
**The Members**

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

I have examined the registers, records, books and papers of **TALBROS ENGINEERING LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2011 (the financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I hereby certify that:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns on the dates as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time limit prescribed under the Act and the rules made there under.
3. The company being a public limited company has the minimum prescribed paid up capital.
4. The Board of Directors duly met 10 (Ten) times on 28th April 2010, 18th June 2010, 31st July 2010, 20th August 2010, 19th October 2010, 30th October 2010, 1st December 2010, 27th December 2010, 31st January 2011 and 10th March 2011 in respect of which meetings proper notices were given and the proceedings were duly recorded and signed in the minutes books maintained for the purpose.
5. The Company closed its Register of Members from 21st September 2010 to 25th September 2010 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2010 was held on 25th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred in the section 295 of the Act.
9. The Company has entered into contracts of job working with M/s J.T. Engineering Pvt. Ltd., a company falling under the category of related party. However, the transactions are made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has issued duplicate share certificate (s) during the financial year after complying with all the statutory formalities under the Act.
13. The Company:
  - (i) has delivered all certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. However, there was no allotment of securities during the financial year.
  - (ii) Has deposited amount in a separate bank account for the final dividend declared at the Annual General Meeting for the financial year ended on 31.03.2010 on 25.09.2010 which is within five days of declaration of dividend.
  - (iii) has posted warrants to all the members of the Company for the dividend final declared at the Annual General Meeting for the financial year ended on 31.03.2010.
  - (iv) there is no application money due for the refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years. However, Rs. 184915 ( Rs. One lakh Eighty Four Thousand Nine Hundred and Fifteen only) has been transferred in the unpaid dividend account with Development Credit bank Limited on 31.03.2011 against the final dividend declared at the Annual

- General Meeting for the financial year ended on 31.03.2010.
- (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. Mr. Tushar Kanti Chopra erstwhile, independent director has tendered his resignation w.e.f. 20/01/2011 and Mr. Jayant H H Lal was appointed as an Additional independent Director of the company pursuant to section 260 of the Companies Act, 1956 w.e.f 31.01.2011. Mr Kartik Talwar was also appointed on 31.01.2011 but resigned due to personal reasons on 01.02.2011 from the post of directorship. All the necessary documents were uploaded on the MCA portal.
  15. Mr. Tarun Talwar, s/o Shri Rajesh Talwar, erstwhile Director has been designated as Managing Director of the company whereas Mr. Rajesh Talwar was redesignated as a director w.e.f. 01.02.2011. All the necessary documents were uploaded on the MCA portal.
  16. The Company has not appointed any sole-selling agents during the financial year.
  17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
  18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
  19. The Company has not issued any shares, debentures or other securities during the financial year.
  20. The Company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. The Company wherever necessary has kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited/accepted any deposits including unsecured loans from the public during the financial year, as specified under sections 58A and 58AA read with Companies (Acceptance of Deposits) Rules 1975. However, the company has accepted deposits **from the person other than public** and has filed the copy of Statement in lieu of Advertisement / necessary particulars as required, with the Registrar of Companies, NCT of Delhi & Haryana. The Company has also filed Return of Deposits with the Registrar of Companies/ Reserve Bank of India/ other authorities in respect of the deposits accepted from the public during the previous financial year.
  24. The amounts borrowed by the Company from banks and others during the financial year are within the borrowing limits of the Company and necessary resolutions as per section 293(1)(d) of the Act was passed in Annual General Meeting held on 25th November, 1995.
  25. The Company has not invested / given guarantees or provided securities to other bodies corporate during the financial year.
  26. The Company has not altered the provisions of the Memorandum of Association with respect to Situation of the Registered office of the Company from one state to another during the financial year.
  27. The Company has not altered the provisions of the Memorandum of Association with respect to the Objects of the Company during the financial year.
  28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the financial year.
  29. The Company has not altered the provisions of the Memorandum of Association with respect to Share Capital of the company during the year.
  30. The Company has not altered its Articles of Association during the financial year.
  31. There was no prosecution initiated against or show cause notices received by the Company during the financial year for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The Company has not constituted its own Provident Fund and as such the provisions of section 418 of the Act, are not applicable to the Company.

Place : Faridabad  
Date : 20.08.2011

**Mayuri Gupta**  
Proprietor  
C.P. No. 5930



## TALBROS ENGINEERING LIMITED

### ANNEXURE 'A'

#### Registers as maintained by the Company:

##### Statutory Registers:

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

### ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or any other Authorities during the financial year ended on 31/03/2010.

S. No.	Forms & Returns	(U/s)	For	Filed on
1.	Form-62 (Annual Return of Fixed Deposits)	58A	For the Financial year ended on 31st March 2010.	26.06.2010
2.	Form 32	260	For appointment and resignation of Mr. Tarun Talwar as Additional director and Mr. Karan Talwar, respectively.	28.06.2010
3.	Form-62 (Statement in Lieu of Advertisement)	58A read with Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975	For the Financial year ended on 31st March 2009.	16.09.2010
4.	Form 66 (Compliance Certificate)	383A	For the financial year ended on 31st March 2009.	13.10.2010
5.	Form-23AC & 23ACA (Annual Report/Balance Sheet)	220	For the financial year ended on 31st March 2009.	13.10.2010
6.	Form-20B (Annual Return )	159	For the financial year ended on 31st March 2009.	23.11.2010
7.	Form No. 23	192	Creation of charge	23.10.2011
8.	Form 32	260	For appointment of Mr. Jayant Har Har Lal a, Mr. Kartik Talwar as additional director and resignation of Mr. T.K. Chopra from the post of directorship.	09.02.2011



## AUDITORS' REPORT

### To The Members of Talbro's Engineering Limited

We have audited the attached Balance Sheet of Talbro's Engineering Limited as at March 31, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

- b) In our opinion the Company, as required by law, has kept proper books of accounts, so far as it appears from our examination of such books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards specified in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial Statements read together with the Accounting Policies and the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i) In case of Balance Sheet, of the state of affairs of the company as at March 31, 2011; and
  - ii) In case of Profit and Loss Account, of the profit of the company for the year ended on that date.
  - iii) In case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**for Rakesh Raj & Associates**  
Chartered Accountants  
Regn. No. 005145N  
Annapurna Gupta  
Partner  
M. No. 90858

Place : Faridabad  
Date: 20.08.2011



### ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of Talbro's Engineering Limited for the year ended on 31st March 2009)

1. a) The Company has maintained proper books showing full particulars, including quantitative details and situation of fixed assets.  
b) All the Fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies have been noticed on such physical verifications as compared to book records.  
c) During the year the company has not disposed off a substantial part of its fixed assets.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
3. a) According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
b) In our opinion and according to the information and explanation given to us, the company has taken loans and deposits from companies / parties covered in the register maintained under section 301 of the Companies Act, 1956. The no of parties are 6 and maximum amount involved during the year was Rs.7,47,49,160 and year-end balance of such loans and deposits was Rs.2,63,67,112.  
c) In our opinion, the rate of interest and other terms and conditions on which the loans and deposits has been taken from companies / parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.  
d) In respect of loans and deposits taken by the company, the principal and the interest has been paid regularly.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
b) Based on the audit procedures applied by us and according to the information and explanations provided by the management, having regards to comments in 5 a) above, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of the five lacs rupees in respect of any party during the year have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year the company has accepted deposits from persons other than public and necessary provisions of the Companies Act, 1956 and rules framed therein, has been complied with.
7. In our opinion, the Company has an in-house internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) The Company is generally regular in depositing dues with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income- tax, Sales -tax, Wealth-tax, Customs Duty, Excise Duty, Cess and other material Statutory Dues applicable to it. According to information and explanations given to us, there are no arrears of outstanding Statutory Dues as mentioned above as at 31st March 2011 for a period of more than six months from the date they become payable.  
b) According to the information & explanations given to us, there are no dues in respect of Sales Tax,

- Income-Tax, Customs Duty, Excise Duty, Cess that have not been deposited with the appropriate authorities on account of dispute.
10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in such financial year.
  11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The company is not a chit fund or a Nidhi mutual benefit fund / society. Therefore, the provisions of the clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
  14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
  15. The company has not given any guarantees during the year for loans taken by others from banks or financial institutions.
  16. According to the information and explanations given to us, we report the term loans have been applied for the purpose for which they were raised.
  17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have been partially used for long-term investment.
  18. The Company has not made any preferential allotment of shares during the year.
  19. The Company has not issued any debentures. Accordingly, the provision of clause 4 (xix) of Companies (Auditor's Report) Order 2003 is not applicable to the Company.
  20. The Company has not raised any money through a public issue during the year.
  21. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Place : Faridabad  
Date: 20.08.2011

*for* **Rakesh Raj & Associates**  
Chartered Accountants  
Regn. No. 005145N  
Annapurna Gupta  
Partner  
M. No. 90858





## TALBROS ENGINEERING LIMITED

### BALANCE SHEET AS AT MARCH 31, 2011

PARTICULARS	SCHEDULE	As at March 31, 2011		As at March 31, 2010	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDER'S FUNDS</b>					
Share Capital	1	14,101,400		1,41,01,400	
Reserves and Surplus	2	<u>12,32,80,011</u>	13,73,81,411	<u>10,13,49,607</u>	11,54,51,007
<b>LOAN FUNDS :</b>					
Secured Loans	3	13,29,57,395		12,49,62,792	
Unsecured Loans	4	<u>3,50,07,258</u>	16,79,64,653	<u>1,15,48,552</u>	13,65,11,344
<b>DEFERRED TAX LIABILITY (NET)</b>			<u>1,76,29,572</u>		<u>1,33,18,643</u>
<b>TOTAL</b>			<u><u>32,29,75,636</u></u>		<u><u>26,52,80,994</u></u>
<b>APPLICATIONS OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	5	32,29,86,893		27,60,28,599	
LESS: Depreciation		<u>14,57,83,473</u>		<u>12,90,49,539</u>	
<b>Net Block</b>		17,72,03,420		14,69,79,060	
Capital Work-in-Progress		<u>7,10,950</u>		<u>7,10,950</u>	
			17,79,14,370		14,76,90,010
<b>INVESTMENTS</b>			8,60,000		8,60,000
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	7	8,70,49,411		8,23,85,290	
Sundry Debtors	8	11,21,67,515		8,26,91,585	
Cash & Bank Balances	9	97,44,206		84,63,468	
Loans And Advances	10	<u>4,99,09,394</u>		<u>3,50,23,274</u>	
		<u>25,88,70,526</u>		<u>20,85,63,617</u>	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities & Provisions	11	11,46,69,260		9,18,32,633	
		<u>14,42,01,266</u>		<u>11,67,30,984</u>	
<b>NET CURRENT ASSETS</b>			14,42,01,266		11,67,30,984
<b>TOTAL</b>			<u><u>32,29,75,636</u></u>		<u><u>26,52,80,994</u></u>
<b>ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>			19		

As per our report of even date  
For **RAKESH RAJ & ASSOCIATES**  
Chartered Accountants

**Annapurna Gupta**  
Partner  
M. No. 90858  
Place : Faridabad  
Date : 20.08.2011

**Rajesh Talwar**  
Chairman

**Tarun Talwar**  
Managing Director

**V.K. Datta**  
Manager - Finance

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

PARTICULARS	SCHEDULE	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>INCOME</b>			
Sales	12	90,19,57,545	66,36,84,424
Less : Excise Duty		<u>6,69,35,568</u>	<u>4,21,13,676</u>
Other Income	13	2,38,64,502	1,55,21,280
Increase / (Decrease) in Stock	14	<u>(19,77,10,04)</u>	<u>1,11,64,306</u>
		<u><b>83,91,15,475</b></u>	<u><b>64,82,56,334</b></u>
<b>EXPENDITURE</b>			
Raw Material Consumed	15	40,99,73,943	32,23,02,205
Employee Remuneration & Benefits	16	6,63,14,921	5,49,40,621
Manufacturing, Administrative & Other Expenses	17	27,88,12,822	22,07,77,676
Finance Cost	18	2,60,25,598	1,98,60,863
Depreciation		1,67,33,934	1,55,47,066
Less: Charged from Revaluation Reserve		<u>(29,849)</u>	<u>(29,849)</u>
		<u><b>79,78,31,369</b></u>	<u><b>63,33,98,582</b></u>
		<u><b>4,12,84,106</b></u>	<u><b>1,48,57,752</b></u>
<b>PROFIT BEFORE TAX</b>			
Less : Provision for Tax			
- Current Tax		1,08,00,000	24,75,000
- Fringe Benefit Tax		43,10,929	—
- Deferred Tax		1,02,056	22,14,331
- Tax adjusted for earlier years		2,60,71,121	(1,63,086)
		<b>5,88,32,541</b>	<b>1,03,31,507</b>
<b>PROFIT BROUGHT FORWARD FROM EARLIER YEAR</b>			
		<u><b>8,49,03,662</b></u>	<u><b>5,36,51,102</b></u>
<b>AVAILABLE FOR APPROPRIATION</b>			
<b>APPROPRIATIONS:</b>			
Proposed Dividend		35,25,350	35,25,350
Tax on Proposed Dividend		5,85,518	5,85,208
Transfer to General Reserve		26,10,000	10,39,510
AMOUNT CARRIED OVER TO BALANCE SHEET		<u><b>7,81,82,794</b></u>	<u><b>5,88,32,541</b></u>
		<u><b>8,49,03,662</b></u>	<u><b>6,39,82,609</b></u>
<b>Earnings per Share (Rs.)</b>		<b>18.49</b>	<b>7.33</b>

Accounting Policies and Notes to Accounts 19

As per our report of even date  
For **RAKESH RAJ & ASSOCIATES**  
Chartered Accountants

**Annapurna Gupta**  
Partner  
M. No. 90858

**Rajesh Talwar**  
Chairman

**Tarun Talwar**  
Managing Director

**V.K. Datta**  
Manager - Finance

Place : Faridabad  
Date : 20.08.2011



## TALBROS ENGINEERING LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011		As at March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 1 - SHARE CAPITAL</b>				
<b>AUTHORISED:</b>				
30,00,000 (30,00,000) Equity Shares of Rs. 10/- each		<b>3,00,00,000</b>		3,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>				
14,10,140 (14,10,140) Equity Shares of Rs.10/- each fully paid up (out of the above Shares, 7,00,000 Equity Shares allotted as fully paid up on 16.3.96 to shareholders of Talbro's Automotive Components Limited., pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Delhi Wherein the Engineering Division of Talbro's Automotive Components Ltd. has been transferred to and vested in the Company)		<b>1,41,01,400</b>		1,41,01,400
TOTAL		<b>1,41,01,400</b>		1,41,01,400
 <b>SCHEDULE 2 - RESERVES AND SURPLUS :</b>				
<b>(a) REVALUATION RESERVE :</b>				
As per last Balance Sheet	11,49,058		11,78,907	
Less: Transferred to Profit & Loss A/c	29,849	11,19,209	29,849	11,49,058
<b>(b) CAPITAL SUBSIDY</b>				
As per last Balance Sheet		76,29,905		76,29,905
<b>(c) SHARE PREMIUM</b>				
		70,50,700		70,50,700
<b>(d) CAPITAL RESERVE</b>				
As per last Balance Sheet		1,74,87,403		1,74,87,403
<b>(e) GENERAL RESERVE:</b>				
As per last Balance Sheet	92,00,000		81,60,490	
As per last Balance Sheet	26,10,000	1,18,10,000	10,39,510	9,200,000
<b>(f) PROFIT &amp; LOSS ACCOUNT</b>				
As per last Balance Sheet	5,88,32,541		5,36,51,102	
Add: Transfer from Profit and Loss Account	1,93,50,253	7,81,82,794	51,81,439	5,88,32,541
TOTAL		<b>12,32,80,011</b>		10,13,49,607

# TALBROS ENGINEERING LIMITED



	As at March 31, 2011		As at March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 3 - SECURED LOANS :</b>				
(a) <b>TERM LOANS :</b>				
Bank of India		<b>5,34,53,501</b>		41,318,018
(b) <b>WORKING CAPITAL FACILITIES</b>				
From Banks :				
Cash Credit		<b>7,19,30,336</b>		79,542,603
(c) <b>VEHICLES LOANS</b>		<b>75,73,558</b>		4,102,171
<b>TOTAL</b>		<b><u>13,29,57,395</u></b>		<b><u>124,962,792</u></b>

## NOTES :

- Term Loans from Bank of India are secured by first charge by way of mortgage of the Company's immovable properties, both present and future, and further secured by hypothecation of movables, both present and future, and subject to prior charges in favour of Company's bankers on inventories and other movables as may be agreed/permitted by lenders for securing borrowings for working capital requirements. The Term Loans are further secured by personal guarantees of two Directors of the company.
- The working capital facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the Company. The facilities from Bank of India and are further secured by personal guarantees of two Directors of the company.
- Vehicles Loans are secured against hypothecation of Vehicles.

	As at March 31, 2011		As at March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 4 - UNSECURED LOANS</b>				
Loan from Director's relative		<b>1,61,00,000</b>		—
Fixed Deposits	<b>1,84,64,979</b>		1,14,56,330	
Add : Interest Accrued but not due	<b>4,42,279</b>	<b>1,89,07,258</b>	92,222	1,15,48,552
		<b><u>3,50,07,258</u></b>		<b><u>1,15,48,552</u></b>

## SCHEDULE 5 : FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2009	Additions during the year	Deduction during the year	Total Cost as at 31.03.2010	Dep. upto 31.03.2009	Dep. during the year	Dep. Written Back	Total Dep. upto 31.03.2010	W.D.V. as at 31.03.2010	W.D.V. as at 31.03.2009
	1	2	3	4	5	6	7	8	9	10
LAND	29,13,242	—	—	29,13,242	—	—	—	—	29,13,242	29,13,242
BUILDING	1,97,42,228	—	—	1,97,42,228	51,11,610	6,59,390	—	57,71,000	1,39,71,228	1,46,30,618
PLANT AND MACHINERY	22,78,66,700	3,82,22,267	—	26,60,88,967	11,51,00,486	1,42,10,128	—	12,93,10,614	13,67,78,353	11,27,66,214
VEHICLES	85,88,879	82,64,830	—	1,68,53,709	15,75,749	10,76,377	—	26,52,126	1,42,01,583	70,13,130
FURNITURE & FIXTURES	37,66,805	—	—	37,66,805	7,55,402	2,19,696	—	9,75,098	27,91,707	30,11,403
OFFICE EQUIPMENTS	49,12,626	3,36,114	—	52,48,740	13,34,112	2,68,879	—	16,02,991	36,45,749	35,78,514
ELECTRICAL INSTALLATIONS	49,65,193	40,383	—	50,05,576	24,83,086	2,00,005	—	26,83,091	23,22,485	24,82,107
TUBE-WELL	2,71,708	—	—	2,71,708	66,930	4,429	—	71,359	2,00,349	2,04,778
COMPUTERS	30,01,218	94,700	—	30,59,918	26,22,164	95,030	—	27,17,194	3,78,724	3,79,054
<b>TOTAL:</b>	<b>27,60,28,599</b>	<b>4,69,58,294</b>	<b>—</b>	<b>32,29,86,893</b>	<b>12,90,49,539</b>	<b>1,67,33,934</b>	<b>—</b>	<b>14,57,83,473</b>	<b>17,72,03,420</b>	<b>14,69,79,060</b>
CAPITAL WORK IN PROGRESS	—	—	—	—	—	—	—	—	7,10,950	7,10,950
<b>TOTAL:</b>	<b>27,60,28,599</b>	<b>4,69,58,294</b>	<b>—</b>	<b>32,29,86,893</b>	<b>12,90,49,539</b>	<b>1,67,33,934</b>	<b>—</b>	<b>14,57,83,473</b>	<b>17,79,14,370</b>	<b>14,76,90,010</b>
Previous Year	25,24,44,668	2,45,67,012	9,83,081	27,60,28,599	11,44,63,306	1,55,47,066	9,60,833	12,90,49,539	14,76,90,010	13,91,01,891



## TALBROS ENGINEERING LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31, 2011		As at March 31, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 6 - INVESTMENTS</b>				
NON TRADE- UNQUOTED				
33000 Fully paid up Equity Shares of Rs.10/- each of Talbro's Pvt. Ltd.		8,60,000		8,60,000
TOTAL		8,60,000		8,60,000
<b>SCHEDULE 7 - INVENTORIES</b>				
(As taken, valued & certified by the management)				
- Finished Goods		31,15,852		30,15,954
- Work-in-progress		4,38,49,551		6,40,01,887
- Raw material		3,42,79,330		87,41,837
- Stores, Spares & loose tools		31,59,838		43,44,444
- Scrap		30,53,817		17,72,383
- Packing Material		5,91,023		5,08,785
TOTAL		8,70,49,411		8,23,85,290
<b>SCHEDULE 8 - SUNDRY DEBTORS</b>				
(Unsecured, Considered Good)				
Debts outstanding for a period exceeding six months		41,15,290		92,66,613
Other Debts		10,80,52,225		7,34,24,972
TOTAL		11,21,67,515		8,26,91,585
<b>SCHEDULE 9 - CASH AND BANK BALANCES</b>				
Cash in hand		2,46,046		3,39,304
Balance With Scheduled Banks:				
In Current Accounts	44,20,021		22,56,091	
In Fixed Deposit Accounts	50,78,139	94,98,160	58,68,073	81,24,164
TOTAL		97,44,206		84,63,468
<b>SCHEDULE 10 - LOANS AND ADVANCES</b>				
(Unsecured, Considered Good)				
Advances recoverable in Cash or in kind or value to be received		1,99,91,408		2,13,04,725
Advance to Suppliers		58,71,369		47,61,991
Excise Duty Balance		1,67,08,174		47,12,058
Security Deposits		25,88,380		20,61,680
Advances Income Tax & TDS		47,50,063		21,82,820
TOTAL		4,99,09,394		3,50,23,274
<b>SCHEDULE 11 - CURRENT LIABILITIES &amp; PROVISIONS:</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS :</b>				
Sundry Creditors		8,40,93,849		7,36,25,507
Advance From Customers		21,14,495		10,24,521
Other Liabilities		1,35,50,048		1,05,97,047
Provision for Income Tax		1,08,00,000		24,75,000
Proposed Dividend		35,25,350		35,25,350
Tax on Proposed Dividend		5,85,518		5,85,208
Total		11,46,69,260		9,18,32,633

# TALBROS ENGINEERING LIMITED



## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>SCHEDULE 12 - SALES :</b>		
Sales-Domestic	73,28,32,085	54,31,21,685
Sales-Export	16,83,38,085	11,99,00,317
Job Work Charges	7,87,375	6,62,422
<b>TOTAL</b>	<b>90,19,57,545</b>	<b>66,36,84,424</b>
<b>SCHEDULE 13 - OTHER INCOME :</b>		
Interest Received	3,43,469	5,25,762
Miscellaneous Income	5,236	1,697
Profit/(Loss) on Sale of Fixed Assets (Net)	—	1,36,201
Discount Received	1,35,07,151	87,42,698
Export Incentive Received	98,18,396	70,54,580
Excess Provision written back	—	2,39,602
Unclaimed liability written off	—	1,00,000
Foreign Exchange Fluctuation (Net)	1,90,250	(12,79,260)
<b>TOTAL</b>	<b>2,38,64,502</b>	<b>1,55,21,280</b>
<b>SCHEDULE 14 - INCREASE / (DECREASE) IN STOCKS:</b>		
<b>CLOSING STOCK:</b>		
- Finished Goods	31,15,852	30,15,954
- Work-in-progress	4,38,49,551	6,40,01,887
- Scrap	20,53,817	17,72,383
	<b>4,90,19,220</b>	6,87,90,224
<b>Less: OPENING STOCK:</b>		
- Finished Goods	30,15,954	71,25,609
- Work-in-progress	6,40,01,887	4,96,81,749
- Scrap	17,72,383	8,18,560
	<b>6,87,90,224</b>	5,76,25,918
<b>INCREASE / (DECREASE) IN STOCK</b>	<b>1,97,71,004</b>	<b>1,11,64,306</b>
<b>SCHEDULE 15 : RAW MATERIAL CONSUMED</b>		
Opening Stock	87,41,837	80,62,104
Add : Purchases	43,49,18,644	32,18,57,568
: Cartage Inward	5,92,792	11,24,370
Less : Closing Stock	<b>3,42,79,330</b>	87,41,837
<b>TOTAL</b>	<b>40,99,73,943</b>	<b>32,23,02,205</b>
<b>SCHEDULE 16 - EMPLOYEE REMUNERATION &amp; BENEFITS</b>		
Salary, Wages and Bonus	4,78,60,477	3,96,77,287
Workmen and Staff Welfare Expenses	1,04,22,551	83,14,276
Contribution to Provident & Other Funds	30,79,399	26,00,533
Gratuity	11,26,184	9,30,603
Director Remuneration	38,26,310	34,17,922
<b>TOTAL</b>	<b>6,63,14,921</b>	<b>5,49,40,621</b>



## TALBROS ENGINEERING LIMITED

### SCHEDULE 18 - MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES

Stores, Spares and Tools Consumed	8,80,08,107		6,06,99,319
Power & Fuel	7,03,77,599		6,37,42,409
Processing Charges	3,33,40,603		2,89,62,602
Repairs & Maintenance :			
Buildings	38,12,354		25,01,321
Plant & Machinery	1,81,21,823		99,88,003
Other	20,34,390	2,39,68,567	18,55,754
Rent, Rates and Taxes		9,50,431	3,79,333
Insurance		8,35,519	7,49,749
Travelling Expenses		46,27,473	38,34,617
Commission on Sale		6,01,194	90,498
Discounts		2,48,849	1,54,879
Commission & Discnt on DEP B Licence		6,99,165	7,93,873
Packing Expenses		2,02,28,986	1,36,61,764
Advertisement & Sales Promotion		21,76,236	41,74,985
Printing & Stationary		8,22,501	7,26,484
Postage & Telegram		2,62,861	1,59,799
Telephone Expenses		8,04,762	7,76,919
Legal & Professional Charges		21,66,878	13,95,592
Membership & Subscription		1,21,165	1,06,000
Charity & Donation		27,252	22,000
Security Services		15,38,983	10,93,069
Miscellaneous Expenses		2,98,144	2,79,612
Provision of Excise Duty on Closing Stock of Finished Goods	—		5,21,470
Less :Excise Duty Reversed on Opening Stock of Finished Goods	(5,21,470)	(5,21,470)	(4,47,621)
Conveyance Expenses		6,78,277	4,18,030
Warranty Claim Paid		4,99,423	11,54,560
Vehicles Running & Maintenance		8,69,883	6,78,780
Freight Outward		2,35,53,513	1,97,94,561
Bad Debts written-off		13,87,321	27,54,785
Auditors Remuneration		2,20,600	2,70,000
Director's Sitting Fee		20,000	6,000
<b>TOTAL</b>		<b>27,88,12,822</b>	<b>22,07,77,676</b>

### SCHEDULE 19 - FINANCE COST

Bank Interest :			
Interest on Term Loans	58,97,302		63,58,140
Interest on Working Capital	1,00,64,857	1,59,62,159	58,82,159
Interest on Fixed Deposits		20,48,132	14,20,587
Other Interest		61,45,638	49,77,154
Bank Charges		18,69,669	12,22,823
<b>TOTAL</b>		<b>2,60,25,598</b>	<b>1,98,60,863</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009****SCHEDULE 20 –SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:****A. SIGNIFICANT ACCOUNTING POLICIES:****1. BASIS OF PREPARATION OF ACCOUNTS:**

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

**2. USE OF ESTIMATES:**

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

**3. INVESTMENTS:**

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

**4. INVENTORIES HAVE BEEN VALUED AS FOLLOWS:**

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

**5. FIXED ASSETS:**

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

**6. DEPRECIATION:**

- 6.1 Depreciation on all the fixed assets is charged on straight-line method as per rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except on the plant & machinery transferred to the company at the time of hiving off of Engineering Division of Talbro's Automotive Components Limited w.e.f. 01.04.95 which is under written down value method.
- 6.2 During the current year, Depreciation has been charged on double and triple shift basis, as per actual running of plants.

**7. FOREIGN CURRENCY TRANSACTIONS:**

- 7.1 Foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction.
- 7.2 Foreign currency monetary items at the year-end are restated using the closing rates.
- 7.3 Any income or expenses on account of exchange difference either on settlement or on restatement is recognized in the profit & loss account.

**8. IMPAIRMENT OF FIXED ASSETS:**

At the end of each year the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that on impairment loss may have occurred in accordance with the accounting standard 28 on impairment of assets issued by the Institute of Chartered Accountants of India. An impairment loss is charged to profit & loss A/c in the year in which asset is identified as impaired when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**9. RETIREMENT & OTHER BENEFITS:**

- 9.1 Retirement benefits to employees comprise contribution to Provident Fund, Gratuity and Leave Encashment under the scheme of the company. The company makes monthly contribution to the Provident Fund authorities in accordance with the provisions of the relevant statute.
- 9.2 Gratuity is a defined benefit obligation. The liability is provided for on the basis of actuarial valuation made at the end of each financial year. Valuation is done on "Projected Unit Credit Method". Gratuity is administered by a trust formed for this purpose through the Group Gratuity with Life Insurance Corporation of India.
- 9.3 Leave Encashment liability, being a retirement benefit, is accounted for on actuarial valuation basis.

**10. REVENUE RECOGNITION:**

- 10.1 Sales include excise duty and are net of returns and trade discounts. Sales are recognized at the time of despatch of goods to the customers.





## TALBROS ENGINEERING LIMITED

10.2 Export benefits/incentives are recognized in the profit & loss accounts, when the right to receive credit as per the terms of the scheme is established in respect of export goods.

### 11. BORROWING COST:

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

### 12. PROVISION FOR CURRENT AND DEFERRED TAX:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income Tax Act, 1961. Deferred Tax resulting from "Timing Difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheets date. The deferred tax assets are recognized and carry forward only to the extent that there is reasonable certainty that the assets will be realized in future.

### 13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## B. NOTES TO ACCOUNTS:

### 1. CONTINGENT LIABILITIES:

- Bank Guarantees outstanding as on 31.03.2011 Rs.5,30,852/- (Previous year Rs.1,82,000/-)
- Estimated amount of contracts remaining to be executed on capital account and not provided

	Current year (Rs.)	Previous year (Rs.)
Total value of contracts	62,35,460	66,71,520
Contracts remaining to be executed	39,89,153	48,75,170
c) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment as on 31.03.11 Rs. 2,02,59,226.00.(Previous Year Rs. NIL)		

- The company has initiated the process of obtaining confirmation from suppliers regarding the registration under Micro, Small and Medium Enterprises Development Act, 2006. The suppliers are not registered wherever the confirmations are received and in other cases, the company is not aware of their registration status and hence information relating to outstanding balance or interest due is not disclosed as it is not determinable.

### 3. Managerial Remuneration:

- The company is of the opinion that the computation of net profits under section 349 of the Companies Act, 1956 (for the purpose of calculation of Director's remuneration) need not be furnished since no commission has been paid to the Directors this year and only the remuneration in accordance with the provisions of the Schedule XIII of the companies Act, 1956 has been paid.
- Managerial remuneration under section 198 and as per rules prescribed under Schedule XIII of the Companies Act, 1956 is as under: -

	Current year (Rs.)	Previous year (Rs.)
Salaries	36,53,970	32,83,875
Perquisites	1,72,340	1,34,047
Employer Contribution to Provident Fund	2,72,160	2,52,630
Total	<u>40,98,470</u>	<u>36,70,552</u>

### 4. REMUNERATION TO AUDITORS:

	Current year Rs.	Previous year Rs.
Audit fees	2,00,600	2,50,000
Company Law Matters	20,000	20,000
Total	<u>2,20,600</u>	<u>2,70,000</u>

- In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.

- Advance to suppliers includes capital advances of Rs.22,46,307/- (Previous year Rs. 17,96,350/-).

- Installments of term loan and fixed deposits due within next 12 months are Rs.230.88 lacs and Rs.33.75 lacs respectively.

8. Deferred Tax Liability comprises of timing differences on account of:

Deferred Tax Liability	Deferred Tax Liability/ (Assets) as at 1.4.2010 (Rs.)	Current year Charge/(Credit) (Rs.)	Deferred Tax Liability/(Assets) as at 31.03.2011 (Rs.)
(i) Depreciation	1,39,86,213	41,47,475	1,81,33,688
(ii) Disallowance u/s 43 B*	(6,67,570)	1,63,454	(5,04,116)
<b>Total</b>	<b>1,33,18,643</b>	<b>43,10,929</b>	<b>1,76,29,572</b>
<b>Previous Year</b>	<b>1,11,04,312</b>	<b>22,14,331</b>	<b>1,33,18,643</b>

\*Effect on account of AS-15 (Revised) on Employee Benefits (Gratuity)

9. The entire operation of the company relates to only one Segment viz. Automotive Components. Hence as per AS-17 issued by ICAI, there is no Reportable Segment.

10. **Defined Benefit Plans:**

10.1 In accordance with Accounting Standard 15 (Revised 2005,) the actuarial valuation carried out in respect of the aforesaid defined benefit plans of Gratuity is based on the following assumption.

Actuarial Assumptions	Employee Gratuity Fund	
Discount Rate (per annum)	8 %	8%
Salary Escalation	6 %	6%

**Table showing changes in present value of obligation as on 31.03.2011**

	As at 31.03.2011	As at 31.03.2010
Present Value of Obligation as at beginning of Year	82,41,307.00	75,89,392.00
Interest Cost	6,59,305.00	6,07,151.00
Current Service Cost	4,24,557.00	4,05,803.00
Benefit Paid	(3,99,177.00)	(6,01,843.00)
Actuarial ( Gain ) / Loss on obligation	7,19,560.00	2,40,804.00
Present Value of Obligation as at end of Year	96,45,552.00	82,41,307.00

**Table Showing changes in the Fair Value of Plan Assets As on 31.03.2011**

	As at 31.03.2011	As at 31.03.2010
Fair Value of Plan Assets at Beginning of Year	72,97,105.00	32,99,870.00
Expected Return on Plan Assets	6,77,238.00	3,23,155.00
Contributions	19,36,622.00	42,75,923.00
Benefit Paid	(3,99,177.00)	(6,01,843.00)
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Present Value of Plan Assets at end of Year	95,11,788.00	72,97,105.00

**Table Showing Fair Value of Plan Assets**

	As at 31.03.2011	As at 31.03.2010
Fair Value of Plan Assets at Beginning of Year	72,97,105.00	32,99,870.00
Actual Return on Plan Assets	6,77,238.00	3,23,155.00
Contributions	19,36,622.00	42,75,923.00
Benefit Paid	(3,99,177.00)	(6,01,843.00)
Fair Value of Plan Assets at end of Year	95,11,788.00	72,97,105.00
Funded Status	(1,33,764.00)	(9,44,202.00)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)		

**Actuarial Gain / Loss recognized**

Actuarial Gain / Loss on obligation	(7,19,560.00)	(2,40,804.00)
Actuarial Gain / Loss for the year - plan assets	NIL	NIL
Total Gain / Loss for the year	7,19,560.00	2,40,804.00
Actuarial Gain / Loss recognized in the year	7,19,560.00	2,40,804.00



## TALBROS ENGINEERING LIMITED

### Net Assets / (Liability) Recognized in Balance Sheet

Present value of obligations as at the end of year	<b>96,45,552.00</b>	82,41,307.00
Fair value of plan assets as at the end of the year	<b>95,11,788.00</b>	72,97,105.00
Fund status	<b>(1,33,764.00)</b>	(9,44,202.00)
Net Assets / (Liability) Recognized in Balance Sheet	<b>1,33,764.00</b>	9,44,202.00

### Expense Recognized in statement of profit and loss

Current Service Cost	<b>4,24,557.00</b>	4,05,803.00
Interest Cost	<b>6,59,305.00</b>	6,07,151.00
Expected return on plan assets	<b>(6,77,238.00)</b>	(3,23,155.00)
Net Actuarial (Gain) / Loss recognized in the year	<b>7,19,560.00</b>	2,40,804.00
Expenses recognized in statement of profit and loss	<b>11,26,184.00</b>	9,30,603.00

11. Earnings Per Share:	<b>Current year Rs.</b>	Previous year Rs.
Net Profit after Tax	<b>2,60,71,121</b>	1,03,31,507
Weighted Average No. of Equity Shares	<b>14,10,140</b>	14,10,140
Basic and Diluted Earnings per Equity Share	<b>18.49</b>	7.33
Face Value per Equity Share	<b>10</b>	10

### 12. RELATED PARTY DISCLOSURE AS PER (AS-18) ISSUED BY ICAI:-

#### Key managerial personnel and their Relatives

Mr. Rajesh Talwar	Chairman
Rajesh Talwar (H.U.F)	H.U.F of Mr. Rajesh Talwar
Mrs. Geeta Talwar	Wife of Mr. Rajesh Talwar
Mr. Tarun Talwar	Son of Mr. Rajesh Talwar
Ms. Sameena Talwar	Daughter of Mr. Rajesh Talwar
Master Amar Talwar	Daughter's son of Mr. Rajesh Talwar

Name of Person	Nature of Transaction	Transaction's Amount		Receivables / (Payables)	
		Current Year	Prev. Year	Current Year	Prev. Year
MR. RAJESH TALWAR	SALARY	30,00,000	29,64,000	(1,66,669)	(1,67,384)
	LOAN RECEIVED	—	-	—	—
	LOAN TRF TO FD	—	4,00,000	—	—
	INTT. ON LOAN	—	12,000	—	—
	FD RECEIVED	16,50,000	5,00,000	(8,50,000)	—
	INTT. ON FD	78,170	9,063	—	—
	FD REPAID	8,00,000	5,00,000	—	—
MR. RAJESH TALWAR (HUF)	FD RECEIVED	6,15,000	5,70,000	—	(2,874,808)
	INTT. ON FD	2,95,498	3,10,397	—	—
	FD REPAID	34,89,808	—	—	—
MRS. GEETA TALWAR	LOAN RECEIVED	—	27,90,000	—	—
	INTT. ON LOAN	—	69,886	—	—
	LOAN REPAID/TRF TO FD	—	27,90,000	—	—
	DIRECTOR'S RELATIVE LOAN RECEIVED	78,00,000	—	(1,61,00,000)	—
	DIRECTOR'S RELATIVE LOAN TRF. FROM FD	83,00,000	—	—	—
	FD RECEIVED	1,02,75,000	34,90,000	(61,89,158)	(41,90,000)
	INTT ON FD	7,79,623	4,01,584	—	—
FD REPAID/TRF.	83,00,000	4,01,589	—	—	
MR. TARUN TALWAR	FD RECEIVED	—	—	(7,60,666)	(7,35,191)
	INTT. ON FD	74,975	81,602	—	—
	SALARY	8,26,310	5,26,530	(66,206)	(36,819)
	FD REPAID	—	388,690	—	—
MS. SAMEENA TALWAR	FD RECEIVED	1,40,000	1,05,000	(19,11,810)	(16,45,070)
	INTT. ON FD	1,92,546	1,73,445	—	—
AMAR TALWAR					
U/G SAMEENA TALWAR	FD RECEIVED	5,00,000	—	(5,55,478)	—
	INTT. ON FD	61,641	—	—	—

# TALBROS ENGINEERING LIMITED



## Enterprises over which Key Managerial Personnel and their relatives having significant influence

J.T. Engineering Private Limited

Name of Person	Nature of Transaction	Transaction's Amount		Receivables / (Payables)	
		Current Year	Prev. Year	Current Year	Prev. Year
J.T. Engineering Private Limited.	Purchase Sale	4,562,996	4,425,230	(19,31,883)	(7,27,770)
		—	—		

13. Previous year figures have been regrouped/ rearranged wherever considered necessary.

## 14. ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENTS OF PART – II OF SCHEDULE VI TO THE COMPANIES ACT 1956.

a) LICENCED / INSTALLED CAPACITY ETC.:	Axle Shafts (Nos.)	King Pins (Nos.)
Licensed Capacity	N.A.	N.A.
Installed Capacity Per annum (As certified by the Management and relied upon by the Auditors being a technical matter)	10,00,000 (8,00,000)	50,000 (50,000)
Actual Production	8,20,452 (6,68,699)	NIL NIL

Figures in brackets represent figures for previous year.

## b) TURNOVER, PURCHASES, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC.:

	Units	Current year		Previous year	
		Quantity No.	Value (Rs.)	Quantity No.	Value (Rs.)
<b>Finished Goods:</b>					
Axle Shafts	Nos.	8,21,426	88,78,67,052	6,72,878	65,82,63,327
King Pins	Nos.	—	—	—	—
Scrap and Others	Kgs.	9,83,289	1,40,90,493	4,85,347	54,21,097
<b>TOTAL</b>		<b>90,19,57,545</b>			<b>66,36,84,424</b>
<b>STOCKS OF GOODS</b>					
<b>Opening Stock:</b>					
Axle Shafts	Nos.	3,586	30,15,954	7,765	71,25,609
King Pins & Kits-	Nos.	—	—	—	—
<b>Closing Stock:</b>					
Axle Shafts	Nos.	2,612	31,15,852	3,586	30,15,954
<b>c) CONSUMPTION ANALYSIS CONSUMPTION OF RAW MATERIALS AND COMPONENTS</b>					
Metallic Rods	Kgs	98,76,608	40,99,73,943	87,76,861	32,23,02,205
<b>COMPOSITION OF RAW MATERIALS AND COMPONENTS CONSUMED</b>					
Imported		—	—	—	—
Indigenous		100%	40,99,73,943	100%	32,23,02,205
<b>TOTAL</b>		<b>100%</b>	<b>40,99,73,943</b>	<b>100%</b>	<b>32,23,02,205</b>
<b>COMPOSITION OF STORES, SPARES AND TOOLS CONSUMED:</b>					
Imported		—	—	—	—
Indigenous		100%	8,80,08,107	100%	6,06,99,319
<b>TOTAL</b>		<b>100%</b>	<b>8,80,08,107</b>	<b>100%</b>	<b>6,06,99,319</b>



## TALBROS ENGINEERING LIMITED

**d) FOREIGN CURRENCY TRANSACTIONS:**

I. CIF Value of Imports :		
a) Plant & Machinery	—	—
II. Expenditure in Foreign currency		
a) Commission on Export Sales	<b>2,01,127</b>	—
b) Foreign Travel (Foreign Exchange Utilized)	<b>26,47,720</b>	20,73,794
c) Furniture & Fixtures	—	6,20,538
d) Entertainment Expenses	—	74,869
III. Earnings in Foreign Exchange		
Value of Export on F.O.B. basis	<b>16,59,61,067</b>	11,65,42,190

15. Schedule 1 to 19 are annexed to and forming part of the Balance Sheet as at 31.03.2011 and Profit and Loss Account for the year ended on that date.

As per our report of even date  
For **RAKESH RAJ & ASSOCIATES**  
Chartered Accountants

**Annapurna Gupta**  
Partner  
M. No. 90858

**Rajesh Talwar**  
Chairman

**Tarun Talwar**  
Managing Director

**V.K. Datta**  
Manager - Finance

Place : Faridabad  
Date : 20.08.2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

	Year ended March 31, 2011	Year ended March 31, 2010
(Figures in Rupees)		
<b>A OPERATING ACTIVITIES</b>		
a Net profit before Tax	4,12,84,106	1,48,57,752
<b>Adjustments for:</b>		
Depreciation	1,67,04,085	1,55,17,217
Capital Reserves & subsidy	—	—
Misc. Expenses W/off	—	—
Interest Paid	2,60,25,598	1,98,60,863
Interest/Dividend income	(3,43,469)	(5,25,762)
Gratuity adjusted of earlier year	—	—
Loss (Profit) on Sale of Fixed Assets	—	—
	<b>4,23,86,214</b>	<b>(1,36,201)</b>
b. Operating Profit before Working capital changes	<b>8,36,70,320</b>	<b>4,95,73,869</b>
<b>Adjustments for:</b>		
Trade and other Receivables	(4,17,94,806)	4,53,17,774
Inventories	46,64,121	(91,50,674)
Trade Payables	1,45,11,317	(1,39,61,462)
	<b>(3,19,47,610)</b>	<b>2,22,05,638</b>
	<b>5,17,22,710</b>	<b>7,17,79,507</b>
c Cash generated from Operations		
Direct Tax Paid-Income Tax	(56,27,451)	(42,36,181)
Excess / ( Short ) Provision of Tax	(1,02,056)	1,63,086
Direct Tax Paid-Income Tax-Fringe Benefit Tax	—	—
	<b>(57,29,507)</b>	<b>(40,73,095)</b>
<b>Net Cash from/(used) in Investing Activities</b>	<b>4,59,93,203</b>	<b>6,77,06,412</b>
<b>B INVESTING ACTIVITIES</b>		
Sale/Transfer of Fixed Assets	—	1,58,449
Interest received & Dividend Recd.	3,43,469	5,25,762
Decrease/(Increase) in CWIP	—	4,09,579
Purchase of Fixed Assets	(4,69,58,294)	(2,45,67,012)
Sale of Investments	—	—
<b>Net Cash from/(used) in Investing Activities</b>	<b>(4,66,14,825)</b>	<b>(2,34,73,222)</b>
<b>C FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	5,52,23,364	1,10,03,641
Repayment/ Transfer of Borrowings	(4,72,28,762)	(3,26,29,096)
Fixed Deposits(Net)	2,34,58,706	(17,80,256)
Interest paid	(2,60,25,598)	(1,98,60,863)
Dividend Paid For the F.Y. 2009-10	(35,25,350)	—
<b>Net Cash from/(used) in Financing Activities</b>	<b>19,02,360</b>	<b>(4,32,66,574)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH Equivalents (A+B+C)</b>	<b>12,80,738</b>	<b>9,66,616</b>
<b>Cash and Cash Equivalent as at:</b>		
- the beginning of the year	84,63,468	74,96,852
- the end of the year	97,44,206	84,63,468

As per our report of even date  
For **RAKESH RAJ & ASSOCIATES**  
Chartered Accountants

**Annapurna Gupta**  
Partner  
M. No. 90858

**Rajesh Talwar**  
Chairman

**Tarun Talwar**  
Managing Director

**V.K. Datta**  
Manager - Finance

Place : Faridabad  
Date : 20.08.2011



# TALBROS ENGINEERING LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (In Terms of Amendment to Schedule VI, Part-IV)

### I. Registration Details

Registration No.   -      State Code

Balance Sheet Date

Date      Month      Year

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="6"/>
Sources of Funds	Reserves & Surplus
Paid-up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="0"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/>	Unsecured Loans
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="7"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="8"/>	
Other Liabilities	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="0"/>	
Application of Funds	Investments
Net Fixed Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="0"/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="5"/>	Misc. Expenditure
Net Current Assets	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/>	
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	

### IV. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="6"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="2"/>
Profit/Loss Before Tax	Profit/Loss After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="1"/>
Earning Per Share in Rs.	Dividend Rate %
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> . <input type="text" value="4"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/>

### V. Generic Names of Three Principal Product/Services of The Company (As per terms)

Item Code No. (ITC Code)

Product Description

**U. P. C.**

*If undelivered, please return to :*

**TALBROS ENGINEERING LIMITED**  
PLOT NO. 74-75, SECTOR-6,  
FARIDABAD 121 006 (Haryana)



# TALBROS ENGINEERING LTD.

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

## PROXY FORM

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

proxy to attend and vote for me / us on my / our behalf, at the 25th ANNUAL GENERAL MEETING of the Company at Hotel "DELITE", 17, Neelam Bata Road, NIT, Faridabad, at 11.30 A.M. on Monday the 26th September, 2011 and at any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ of \_\_\_\_\_ 2011

Signed by the said \_\_\_\_\_

Affix a  
Revenue  
Stamp

Member(s) Name(s) \_\_\_\_\_  
(in Block Letters)

Folio No. \_\_\_\_\_ No. of Shares \_\_\_\_\_

DPID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

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

### FOR OFFICE USE ONLY

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

## TALBROS ENGINEERING LTD.

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

### ADMISSION SLIP

DPID No. \_\_\_\_\_

Folio No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Name of the Member (in Block Letters) \_\_\_\_\_

I declare that I am a Registered Shareholder/Proxy/Representative. I hereby record my presence at the at the 25th ANNUAL GENERAL MEETING of the Company at Hotel "DELITE", 17, Neelam Bata Road, NIT, Faridabad, at 11.30 A.M. on Monday the 26th September, 2011

\_\_\_\_\_  
Member's Signature

Name of Proxy / Representative  
(in BLOCK LETTERS)

Proxy's / Representative's  
Signature

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