



TALBROS ENGINEERING LIMITED

28TH ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

TARUN TALWAR	<i>(Managing Director)</i>
KARTIK TALWAR	<i>(Director)</i>
SUNIL KUMAR	<i>(Director)</i>
SANJAY SHARMA	<i>(Director)</i>
VIJAY KUMAR SHARMA	<i>(Director)</i>

BANKER

BANK OF INIDA

AUDITORS

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

REGISTRAR AND TRANSFER AGENT (RTA)

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

REGISTERED OFFICE

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

WORKS

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

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

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

STOCK EXCHANGE

DELHI STOCK EXCHANGE LIMITED

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 28th Annual Report of the Company together with the audited accounts for the year ended on 31st March 2014.

FINANCIAL HIGHLIGHTS:

Financial Results:	₹ in Lacs	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Sales Turnover (Gross)	12945.12	14307.79
Profit before Interest and Depreciation	1236.11	1353.20
Less : Interest	360.71	358.20
Depreciation	286.50	243.98
Profit before Taxation	588.90	751.02
Less : Provision for Current Tax	193.80	219.74
Provision for Deferred Tax	5.82	22.68
Profit After Tax	389.28	508.60
Add: Balance brought forward from the previous year	1547.29	1138.85
Profit Available for Appropriation	1936.57	1647.45
Appropriations:		
Proposed Dividend	76.15	42.30
Corporate Dividend Tax	12.94	6.86
Transfer to General Reserve	39.00	51.00
Balance Carried Forward	1808.48	1547.29
Total	1936.57	1647.45

FINANCIAL PERFORMANCE

Your company has shown sales turnover of ₹ 12,945.12 in this financial year ended on 31.03.2014 as against ₹ 14,307.79 Lacs for the previous financial year. The slow down is because of the economic uncertainties and recessionary conditions in most part of the world including India. The net profit after tax for this year is ₹ 389.29 Lacs as compared to ₹ 508.61 Lacs for the previous financial year.

Reserves & Surplus as on 31.03.2014 will stand at ₹ 2,755.75 Lacs as against the paid-up capital of ₹ 253.83 Lacs.

DIVIDEND & APPROPRIATION OF PROFITS:

We recommend a dividend of ₹ 3.00 per share. The total dividend payout amount including Corporate Dividend Tax is ₹ 89.09 lacs as against ₹ 49.17 in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 22.89% as compared to 9.67% in the previous year.

The payment of dividend is subject to the approval of the shareholders in ensuing Annual General Meeting of the Company.

RIGHTS ISSUE:

During the year, your company has allotted 11,28,112 no. of equity shares to the shareholders on right basis in the proportion of 8 equity shares for every 10 equity shares held by them.

DIRECTORS:

Mr. Vijay Kumar Sharma (DIN: 06394784), Executive Director of the Company is liable to retire by rotation in ensuing Annual General Meeting and being eligible offers himself for re-appointment.

None of the Directors of your company are disqualified as per provisions of section 164 of the Companies Act, 2013.

Further, The Board has approved the appointment of Ms. Priyanka Khattar as an Independent Director of the Company subject to the approval of members of the company in ensuing Annual General Meeting.

EXPORTS:

Exports turnover (F.O.B. value) for the year ended on 31.03.2014 was ₹ 1,813.97 Lacs as compared to ₹ 2,228.71 Lacs for the previous financial year.

BUSINESS OUTLOOK FOR THE COMING YEAR:

Your company's outlook for this year is healthy despite the general recessionary trend. We expect our new business backlog will continue to drive our sales growth. Exports will continue to be the leader through increased exposure to global markets. We will continue to focus on achieving our long-term goals of profitable growth and diversification. We will focus on building value for our key stakeholders improving liquidity and net worth of the company. The impetus is expected to come from listing of the company on Bombay stock exchange for which company has already applied. During the financial year your company received a good response from the market albeit stiff competition. The company is striving for expansion of the business by exploring new export markets. To combat this, company is addressing the need of infrastructure and capacity enhancement through importing new technology. The company has also started setting up new plant at IMT, Faridabad.

PERSONNEL:

None of employees are covered pursuant to Sec.217 (2A) of the Companies, Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended on 31st March 2014.

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 ₹ 29,78,662/-, Commission on Export Sales ₹ 12,22,024/-, Repair &



TALBROS ENGINEERING LIMITED

Maintenance – Plant & Machinery ₹ 7,89,989/- and Foreign Exhibition ₹ 7,55,128/-. Meanwhile, earning in foreign exchange value of export on F.O.B. basis is ₹ 18,14,46,378/.

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 certificate under Section 139 of the Companies Act, 2013 from them regarding their eligibility to be re-appointed as Statutory Auditors. The Directors recommend their re-appointment as Statutory Auditors of the Company.

You are requested to appoint them as Statutory Auditors from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting.

COST AUDITORS:

M/s Jai Prakash & Co., Cost Accountants has been appointed as the cost auditors of the company by the Board of Directors to audit the cost records for the financial year 2014-15.

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 Ltd. The Company has duly paid the listing fees for the year 2014-15.

Further, your company has made an application to the Bombay Stock Exchange Limited (BSE) for listing of its shares.

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 2014, 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,

applicable provisions of Companies Act, 2013 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 2014 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.

CORPORATE GOVERNANCE

As required by the existing clause 49 of Listing Agreement with stock exchange, a detailed report on Corporate Governance is included in the Annual Report. The Practicing Company Secretary has certified the company's compliance of the requirements of Corporate Governance in terms of the said clause of the Listing Agreement.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

The Company sustained its initiatives to maintain a pollution free environment by elimination of waste, optimum utilization of power and preventive maintenance of equipment and machineries to keep them in good condition. Safety and health of the people working in and around manufacturing facilities is top priority of the company and we are committed to improving this performance year after year.

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 : 07.08.2014

Sd/-
Tarun Talwar
Managing Director

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 2013-14	Previous Year 2012-13
A. Power and Fuel Consumption		
1. Electricity		
(A) Purchased		
Unit	1,13,79,177	97,01,340
Total Amount	₹ 8,57,60,163	₹ 6,23,30,820
Rate per Unit	₹ 7.54	₹ 6.42
(B) Own Generation		
(i) Through Diesel Generator		
Unit	12,64,183	37,94,206
Unit per ltr of Diesel Oil	6.40	6.30
Cost per Unit	₹ 6.56	₹ 6.56
(ii) Through Steam Turbine/Generator Unit	NIL	NIL
Unit per-ltr of Fuel Oil/Gas Cost/Unit	NIL	NIL
2. LPG (Used in production)		
Quantity (Kgs.)	1,63,119	2,31,660
Total Cost	₹ 1,22,44,334	₹ 1,61,93,051
Average Rate	₹ 75.06	₹ 69.90
3. LDO		
Quantity (Itrs.)	3,68,000	9,06,000
Total Amount	₹ 1,48,67,790	₹ 3,53,62,052
Average Rate	₹ 40.40	₹ 39.03
4. Others/Internal Generation (Please give details)		
Quantity NIL	NIL	
Total Cost	NIL	NIL
Rate Per Unit	NIL	NIL
B. Consumption per unit of Production		
	Current Year 1	Previous Year 1
Products (with details) Unit Axles		
Electricity (units)	10.25	9.65
LDO (Itrs),	0.35	0.76
LPG (Kgs.)	0.16	0.19

**FORM B
(See rule 2)**

Form of disclosure of particulars with respect to technology absorption

Details of efforts made in technology absorption are given below.

Research and development (R&D)

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

As percentage of total turnover.



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Technology absorption, adaptation and innovation

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Talbro's Engineering Limited's components are today fitted as OE on leading vehicles on Indian Roads besides finding great acceptance Foreign replacement markets. The company's goal is to be a leader in supply of automotive Rear Axle Shafts in the Indian & Overseas market to benefit from the growth and to profit from the opportunities that exist in this sector.

OPPORTUNITIES AND THREATS

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

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

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

OUTLOOK

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

FINANCE AND OPERATING PERFORMANCE

Your company has shown sales turnover of ₹ 12,945.12 Lacs in this financial year ended on 31.03.2014 as against ₹ 14,307.79 Lacs for the previous financial year. Net profit after tax for this year is ₹ 389.29 Lacs as compared to ₹ 508.61 Lacs for the previous financial year. Exports turnover (F.O.B. value) for the year ended on 31.03.2014 was ₹ 1,814.46 Lacs as compared to ₹ 2,170.42 Lacs for the previous financial year. The board recommends a dividend of ₹ 3.00 per share. The total dividend payout amount including Corporate Dividend Tax is ₹ 89.09 Lacs as against ₹ 49.17 Lacs in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 22.89% as compared to 9.67% in the previous year.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

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

For and on behalf of the Board

Place : Faridabad
Date : 07.08.2014

Sd/-
Tarun Talwar
Managing Director

COMPLIANCE CERTIFICATE

To,
The Members
TALBROS ENGINEERING LIMITED
(CIN: L74210HR1986PLC033018)
PLOT NO 74-75, SECTOR 6,
FARIDABAD, HARYANA- 121006

I have examined the registers, records, books and papers of **TALBROS ENGINEERING LIMITED**, (the Company) 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 2014 (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 certify that in respect of the aforesaid financial year:

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 as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Central government within the time prescribed under the Act and the rules made there under.
3. The Company, being Public Limited Company, comments are not required.
4. The Board of Directors duly met 8(eight) times on 02.04.2013, 20.05.2013, 27.05.2013, 31.07.2013, 21.08.2013, 30.10.2013, 30.01.2014 and on 14.03.2014 respectively, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 21.09.2013 to 28.09.2013 and necessary compliance of section 154 of the Act has been made during the financial year under review.
6. The Annual General Meeting for the financial year ended 31st March 2013 was held on 28th September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the year under review.
8. The Company has not advanced any loans to its directors and/or persons or firms or Companies referred in the section 295 of the Act.
9. The company has availed services of M/s J.T. Engineering Pvt. Ltd, a company falling within the purview of section 297 under the category of related party contract of the Act. However, the transactions are made at arm length price, which are reasonable having regard to the prevailing market prices at the relevant time and No other related party transaction has been occurred during the year under review.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The Company has issued duplicate share certificate during the financial year under review.
13. The Company has:
 - a. Duly delivered all the share certificates for the allotment of 1,128,112 equity shares at ₹ 44/- per share (including premium of ₹ 34 per share) on 14.03.2014 respectively. Also delivered all the share certificates on various transfer of shares request received from shareholders during the year under review.
 - b. Deposited amount in a separate Bank Account for the final dividend declared at the Annual General Meeting held on 28.09.2013 for the financial year ended on 31.03.2013.
 - c. has posted warrants to all the member of the company for the dividend final declared at the Annual General Meeting held on 28.09.2013 for the financial year ended on 31.03.2013
 - d. 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.
 - e. The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year. However appointment of Mr. Sanjay Sharma and Mr. Vijay Kumar Sharma as an Executive Directors has been confirmed and regularized in the AGM held on 28.09.2013.



TALBROS ENGINEERING LIMITED

15. The Company has not appointed any Managing Director during the financial year under review. However appointment of Mr. Sanjay Sharma and Mr. Vijay Kumar Sharma as an Executive Directors has been confirmed and regularized in the AGM held on 28.09.2013 in terms of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company has filed necessary form for the appointment of M/s Jai Prakash & Co. As the Cost auditor of the company under the provision of the Act during the financial year under review.
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 issued 1,128,112 equity shares at ₹ 44/- per share (including premium of ₹ 34 per share) on 14.03.2014 during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. The Company has not issued any preference shares/debentures during the financial year under review.
22. The Company wherever necessary has kept in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any fresh 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. The Company has 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 amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2014 are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act was passed in the Annual General Meeting held on 26th September, 2012.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered its articles of association during the financial year under review.
31. There is 1 cases of labour dispute, 3 cases with ITAT, 1 case of Income Tax with High Court Chandigarh, appeals initiated or show cause notices issued against the Company in the past which are still pending.
32. The Company has not received any security deposit from its employees.
33. The Company has duly made contribution towards Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **ASM & Associates**
Company Secretaries

Sd/-

Shrikanta Maheshwari

(Partner)

C. P. No. 3969

Place : Faridabad
Date : 31.07.2014

ANNEXURE 'A'**Registers as maintained by the Company:****Statutory Registers:**

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

Other Registers:

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

ANNEXURE 'B'

List of Forms and Returns filed with ROC, Regional Director, Central Government or any other Authorities under Companies Act, 1956 during the year 2013-2014.

1. Annual Return (Form 20B) filed under Section 159 filed on 21.11.2013 for the AGM held on 28.09.2013.
2. Annual Report (Form 23AC & Form 23ACA) XBRL filed under Section 220 filed on 26.10.2013 for the financial year ending 31st March 2013 along with Notice, Directors Report and Auditors Report under Section 210.
3. Compliance Certificate (Form 66) filed on 25.10.2013 for the year ending 31st March 2013.
4. Form 32 was filed on 11.10.2013 for confirmation of appointment of Mr. Sanjay Sharma & Mr. Vijay Kumar Sharma as Executive Directors
5. Form 2 was filed on 16.03.2014 for allotment of Equity Shares.
6. Form 23D was filed on 18.09.2013 (acknowledgement of the information of cost auditor furnished to Central Government.)
7. Form 62 (2 nos) were filed on 27.05.2013 & 07.09.2013 respectively.
8. Form 5INV was filed on 28.01.2014 (acknowledgement of unclaimed and unpaid amount transferred IEPF).
9. Form 17 was filed on 27.09.2013 for satisfaction of charges.
10. Form 17 were filed on 13.04.2013 for satisfaction of charges.
11. Form 17 were filed on 12.04.2013 for satisfaction of charges.
12. Form 8 were filed on 09.08.2013 for creation/modification of charges.
13. Form 23C was filed on 28.06.2013 for appointment of Cost Auditor.



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of TALBROS ENGINEERING LIMITED (the Company), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act'2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and, Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act'2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Firm Regn No.005145N

Sd/-
Ruchi Jain
Partner

Membership No. 099920

Place : Faridabad
Date : 27.05.2014

ANNEXURE TO THE AUDITORS' REPORT

(As referred in paragraph 1 of Report on other legal and regulatory requirements of our report to the members of **TALBROS ENGINEERING LIMITED** on the accounts for the year ended 31st March 2014)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, major fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of Fixed Assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- ii. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals in respect of raw material, stores & spares. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. (a) As per the information and explanation given to us, the company has not granted any loans, secured or unsecured from loan to parties covered in register maintained under section 301 of the Companies Act 1956. Hence the provisions of Clause 4 (iii) (a), (b), (c) and (d) are not applicable to the Company.
- (b) As informed to us, the Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 45,124,223/- and the year-end balance of loan taken from such parties was ₹ 44,952,346/-.
- (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.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.
- v. (a) According to information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58 A and 58 AA or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vii. In our opinion, the Company has an in – house internal audit system commensurate with the size and nature of its business and activities.
- viii. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.
- ix. (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues



TALBROS ENGINEERING LIMITED

including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Custom Duty and Excise Duty and Cess and any other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, there are no undisputed dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were in arrear as at 31st March 2014 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, Details of dues which have not been deposited on account of any dispute are as follows :

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

- x. The Company has no accumulated losses as at 31st March 2014 and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its Bankers. The Company did not have any outstanding debentures and loans from any financial institution during the year.
- xii. In our opinion and according to the information & explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- xiii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xv. As per the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks of financial institutions.
- xvi. To the best of our information and knowledge and as per records verified by us, the Company has applied its term loans for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **RAKESH RAJ & ASSOCIATES**
Chartered Accountants
Firm Regn No.005145N

Sd/-
Ruchi Jain
Partner

Membership No. 099920

Place : Faridabad
Date : 27.05.2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(All Amount in ₹, unless otherwise stated)

	Notes	As at 31st March, 2014		As at 31st March, 2013	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Share Capital	3	25,382,520		14,101,400	
Reserves and Surplus	4	275,575,297	300,957,817	209,316,452	223,417,852
Non-Current Liabilities					
Long Term Borrowings	5	41,109,088		86,220,623	
Deferred Tax Liabilities (Net)	6	21,113,523		20,531,932	
Long Term Provisions	7	2,064,178	64,286,789	1,940,598	108,693,153
Current Liabilities					
Short Term Borrowings	8	93,081,863		124,759,687	
Trade Payables	9	9,549,270		37,156,812	
Other Current Liabilities	10	170,983,811		156,081,731	
Short Term Provisions	11	30,518,353	304,133,297	29,504,519	347,502,749
TOTAL			669,377,903		679,613,754
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12	223,601,058		224,311,535	
Capital Work in Progress	12	2,024,128		-	
Non Current Investments	13	860,000		860,000	
Long-Term Loans and Advances	14	30,774,304	257,259,490	25,680,902	250,852,437
Current Assets					
Inventories	15	124,347,998		121,435,809	
Trade Receivables	16	152,708,195		190,106,492	
Cash and Bank Balances	17	60,009,236		40,329,030	
Short Term Loans and Advances	18	73,316,277		74,753,166	
Other Current Assets	18.1	1,736,708	412,118,413	1,844,695	428,469,192
Right Issue Expenses (Misc. Exp Not W/off)			-		292,125
TOTAL			669,377,903		679,613,754

Summary of significant accounting policies 2

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

 As per our report of even date
 For **Rakesh Raj & Associates**
 Chartered Accountants
 Regn No. 005145 N

 Sd/-
Ruchi Jain
 Partner
 Membership No: 99920

 Place: Faridabad
 Date: 27.05.2014

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

 Sd/-
Tarun Talwar
 Managing Director

 Sd/-
Kartik Talwar
 Director



TALBROS ENGINEERING LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(All Amount in ₹, unless otherwise stated)

	Notes	As at 31st March, 2014		As at 31st March, 2013	
		₹	₹	₹	₹
INCOME					
Revenue From Operations (Gross)	19	1,294,511,813		1,430,778,986	
Less: Excise Duty		<u>121,236,021</u>	<u>1,173,275,792</u>	<u>132,310,891</u>	<u>1,298,468,095</u>
Other Income	20		<u>29,664,787</u>		<u>31,281,825</u>
Total Revenue			<u><u>1,202,940,579</u></u>		<u><u>1,329,749,920</u></u>
EXPENSES					
Cost of Raw Material Consumed	21		<u>589,178,993</u>		<u>688,386,630</u>
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	22		<u>1,582,637</u>		<u>(40,721,766)</u>
Employee Benefits Expenses	23		<u>106,288,741</u>		<u>96,646,511</u>
Finance Costs	24		<u>36,071,280</u>		<u>35,819,555</u>
Depreciation and Amortization Expense	25		<u>28,649,656</u>		<u>24,398,032</u>
Other Expenses	26		<u>382,279,226</u>		<u>450,118,412</u>
Total Expenses			<u><u>1,144,050,534</u></u>		<u><u>1,254,647,374</u></u>
Profit before tax			<u><u>58,890,045</u></u>		<u><u>75,102,546</u></u>
Tax Expenses:					
Current Tax		<u>19,200,000</u>		<u>22,500,000</u>	
Deffered Tax		<u>581,591</u>		<u>2,267,457</u>	
Wealth Tax		<u>36,508</u>		<u>41,320</u>	
Taxes For Earlier Years		<u>143,379</u>	<u>19,961,478</u>	<u>(566,899)</u>	<u>24,241,878</u>
Profit for the Year			<u><u>38,928,567</u></u>		<u><u>50,860,668</u></u>

Earnings per Equity Share (Face Value of ₹ 10/-)

Basic and Diluted Restated Earnings Per Share 18.03 23.93

Summary of significant accounting policies 2

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

As per our report of even date
For **Rakesh Raj & Associates**
Chartered Accountants
Regn No. 005145 N

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Place: Faridabad
Date: 27.05.2014

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

Sd/-
Tarun Talwar
Managing Director

Sd/-
Kartik Talwar
Director

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2014

(All Amount in ₹, unless otherwise stated)

	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
Net Profit before taxation, and extraordinary item	58,890,045	75,102,546
Adjustment for:		
Depreciation	28,649,656	24,398,032
Preliminary Expenses W/off	292,125	(292,125)
Interest Paid	36,071,280	33,782,132
Loss/(Profit) on Sale of Fixed Assets	684,009	256,321
Interest Received	(584,052)	(573,647)
Operating Profit before Working Capital Changes	124,003,063	132,673,259
Adjustments for:		
Trade and Other Receivables	37,398,297	(47,416,256)
Inventories	(2,912,189)	(33,303,450)
Other Current Assets	1,544,877	(24,108,590)
Trade Payables	(27,607,542)	25,970,039
Other Current Liabilities	(44,632,276)	49,597,010
Increase in Deferred Tax Liability	581,591	2,267,457
CASH GENERATED FROM OPERATIONS:	88,375,821	105,679,470
Interest paid	(36,071,280)	(33,782,132)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	52,304,541	71,897,338
Interest Received	584,052	573,647
Purchase of Fixed Assets	(31,923,168)	(63,829,412)
Sale of Fixed Assets	1,246,004	8,981,589
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(30,093,111)	(54,274,176)
Proceeds from /(Repayment) of long Term Borrowings	(44,987,955)	19,917,283
Proceeds from Share Capital	11,281,120	-
Proceeds from Security Premium	36,269,013	-
Proceeds from /(Repayment) of long Term Loans & Advances	(5,093,402)	(10,529,250)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(2,531,224)	9,388,033
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	19,680,206	27,011,195
Cash/Cash Equivalents as at 1st April (Opening Balance)	40,329,030	13,317,835
Cash/Cash Equivalents as at 31st March (Closing Balance)	60,009,236	40,329,030

As per our report of even date
For **Rakesh Raj & Associates**
Chartered Accountants
Regn No. 005145 N

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Place: Faridabad
Date: 27.05.2014

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

Sd/-
Tarun Talwar
Managing Director

Sd/-
Kartik Talwar
Director

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014****Note: 1 CORPORATE INFORMATION**

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

Basis of preparation

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

Note: 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis for Accounting**

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

2.2 Use of Estimates

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

2.3 Revenue Recognition

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

2.4 Inventories

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

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

2.5 Tangible assets

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

Capital Works-in-Progress

Capital Works-in-Progress is carried at cost, comprising direct cost, related incidental expenses.

2.6 Intangible assets

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

2.7 Depreciation on fixed assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**2.8 Provisions and contingencies**

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

2.9 Research and Development expense

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

2.10 Foreign currency transactions

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

2.11 Investments

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

2.12 Employee benefits

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

Gratuity

Gratuity is a defined benefit obligation. The liability is provided for on the basis of actual valuation made at the end of each financial year. Valuation is done on "Projected Unit Credit Method". Gratuity is administered by a trust formed for this purpose through the Group Gratuity with Life Incorporation of India.

Leave encashment

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

2.13 Borrowing costs

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

2.14 Leases

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

2.15 Cash Flow Statement

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

2.16 Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provision of Income-Tax Act, 1961. Deferred tax resulting from timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred Tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

2.17 Impairment of assets

At the end of each year the company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with the accounting standard 28 on impairment of assets issued by the Institute of Chartered Accountants of India. An impairment loss is charged to statement



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

of profit and loss in the year in which asset is identified as impaired when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.18 Share Issue Expenses

Share issue expenses are adjusted from Securities Premium Account as prescribed under the provisions of company Act.

2.19 Earning Per Share

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

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

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 3 SHARE CAPITAL		
3.1 Authorised share capital		
30,00,000 Equity Shares of ₹ 10/- each	30,000,000	30,000,000
3.2 Issued, Subscribed and fully paid up capital		
25,38,252 (p.y.14,10,140) Equity Shares of ₹ 10/- each fully paid up	25,382,520	14,101,400
Total Issued, Subscribed and fully paid up capital	25,382,520	14,101,400
3.3 Reconciliation of the shares outstanding at the beginning and the end of the reporting period	No.of Shares as at	No.of Shares as at
Equity shares	31.03.2014	31.03.2013
At the beginning of the year	1,410,140	1,410,140
Add: Right Shares issued during the year	1,128,112	-
Add: Bonus shares issued during the year	-	-
Less: Shares forfeited, etc	-	-
Outstanding at the end of the year	2,538,252	1,410,140

3.4 Terms/ rights and restrictions attached to equity shares

The company has only one class of equity shares having par value of INR ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31st March 2014, the amount of dividend per share recognised as distribution to equity holders was INR 3.00 (PY 3.00). The total dividend appropriation for the year ended 31st March 2014 amounts to INR 7,614,756/- (P.Y. INR 4,230,420/-) excluding Dividend Distribution Tax of INR 1,294,128/- (P.Y. INR 686,279/-)

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

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
Equity shares of ₹ 10/- each fully paid				
Rajesh Talwar	595,141	23.45%	247,483	17.55%
Gita Talwar	508,877	20.05%	206,356	14.63%
Rakesh Talwar	296,317	11.67%	164,621	11.67%
Naini Talwar	147,330	5.80%	81,850	5.80%
Tarun Talwar	-	78,945	5.60%	
Sartaj K Sahni	232,502	9.16%	129,168	9.15%
Rakesh Talwar (HUF)	136,207	5.37%	75,671	5.37%

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 4 RESERVES AND SURPLUS		
4.1 Capital Reserve		
As per last balance sheet	17,487,403	17,487,403
4.2 Securities Premium Account		
As per last balance sheet	7,050,700	7,050,700
Add: Security premium raised during the year	38,355,808	-
Less: Right Issue expenses W/o	2,086,795	-
Closing balance	43,319,713	7,050,700
4.3 Revaluation reserve		
As per last balance sheet	1,059,511	1,089,360
Less: Transferred to Profit & Loss A/c	(29,849)	(29,849)
	1,029,662	1,059,511
4.4 General Reserve		
As per last balance sheet	21,360,000	16,260,000
Add/less: adjustment during the year	3,900,000	5,100,000
	25,260,000	21,360,000
4.5 Surplus / (deficit) in the statement of Profit and Loss		
As per last balance sheet	154,728,933	113,884,964
Profit for the year	38,928,567	50,860,668
Less: Appropriations		
Transfer to General reserve	3,900,000	5,100,000
Dividend proposed on equity shares	7,614,756	4,230,420
Dividend distribution tax on proposed dividend	1,294,128	686,279
	180,848,616	154,728,933
4.6 Other reserves: Capital Subsidy		
As per last balance sheet	7,629,905	7,629,905
Total	275,575,297	209,316,452
NOTE : 5 LONG TERM BORROWINGS		
Secured		
Term loans & Vehicle Loans		
From banks	23,654,656	41,297,194
From others (NBFC)	1,354,432	1,265,163
Total secured long term borrowings	25,009,088	42,562,357
Unsecured		
Deposits		
• from shareholders	-	14,545,000
• from Director's Relative	-	29,113,266
Loans and advances from related parties	16,100,000	-
Total	41,109,088	43,658,266
	41,109,088	86,220,623



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

Particulars of loan /security/ guarantee	Terms of Repayment	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
1 Term loans from Bank of India			
Term Loans from Bank of India are secured by First charge by way of mortgage of the Company's immovable properties, both present and future, and further secured by hypothecation of movables both present and future, and subject to prior charges in favour of company's bankers on inventories and other moveable as may be agreed/ permitted by lenders for securing borrowings for working capital requirements. The Term Loans are further secured by personal guarantees of two Directors of the company. The rate of Interest is at the rate of 14.00% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	Closing Balance INR 34,454,305	Closing Balance INR 52,624,115
		Current Maturity INR 13,500,000	Current Maturity INR 15,986,250
		Non-Current Maturity INR 20,954,305	Non-Current Maturity INR 36,637,865
2 Vehicle loans from Banks			
Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08%p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance INR 2,601,031	Closing Balance INR 3,538,903
		Current Maturity INR 891,429	Current Maturity INR 1,314,024
		Non-Current Maturity INR 1,709,602	Non-Current Maturity INR 2,224,879
3 Vehicle loans from Other Parties			
Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08% p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance INR 3,699,613	Closing Balance INR 4,964,776
		Current Maturity INR 1,354,432	Current Maturity INR 1,265,163
		Non-Current Maturity INR 2,345,181	Non-Current Maturity INR 3,699,613

NOTE : 6 DEFERRED TAX LIABILITY AS PER AS-22

	Deferred Tax Liability/ (Assets) As at 31st March, 2014 ₹	Deferred Tax Liability/ (Assets) As at 31st March, 2013 ₹
(i) Fixed Assets	21,902,724	21,194,698
(ii) Disallowance u/s 43 B	(789,201)	(662,766)
Deferred Tax Liability (Net)	<u>21,113,523</u>	<u>20,531,932</u>

NOTE : 7 LONG TERM PROVISION

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Annual Leave Payable	2,064,178	1,940,598
Total	<u>2,064,178</u>	<u>1,940,598</u>

NOTE : 8 SHORT TERM BORROWINGS

Secured		
Working Capital Loans From Bank		
Bank of India (Cash Credit)	93,081,863	124,759,687
Total	<u>93,081,863</u>	<u>124,759,687</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

8.1 Particulars of loan /security/ guarantee	Terms of Repayment	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Cash Credit from Bank of India The working capital facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the company. The facilities from bank of india and are further secured by personal guarantees of the two directors of the company	On the Basis of Utilization	Closing Balance INR 93,081,863/-	Closing Balance INR 124,759,687/-

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 9 PAYABLES (CREDITORS)		
Trade Payables	9,549,270	37,156,812
Total	<u>9,549,270</u>	<u>37,156,812</u>

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 10 OTHER CURRENT LIABILITIES		
A) Current Maturities of Long Term Debt Borrowings	64,660,410	36,998,568
B) Interest accrued and due on Borrowings	304,006	211,957
C) Interest accrued but not due on Vehicle Loans	28,804	39,405
D) Advance from Customers	1,136,161	4,162,780
E) Creditors for Expenses	86,910,356	96,427,772
F) Creditors for Capital Expenditure	225,554	10,342
G) Unpaid Dividends	353,298	188,573
H) Other Liabilities:-		
i) Accrued Salary & Benefits	3,797,274	3,436,150
ii) Statutory Dues payable	1,720,899	2,810,335
iii) TDS payable	1,272,170	1,142,934
iv) Security Job Contractors	3,141,122	3,231,122
v) Others	7,433,758	7,421,793
Total	<u>170,983,811</u>	<u>156,081,731</u>

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 11 SHORT TERM PROVISIONS		
Provision for Income Tax	19,200,000	22,500,000
Proposed Equity Dividend	7,614,756	4,230,420
Provision for Wealth Tax	36,508	41,320
Provision for Tax on Proposed Equity Dividend	1,294,128	686,279
Provision for Employee Benefits	2,372,961	2,046,500
Total	<u>30,518,353</u>	<u>29,504,519</u>

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 12 FIXED ASSETS		
Tangible assets	223,601,058	224,311,535
Total	<u>223,601,058</u>	<u>224,311,535</u>
Capital work in progress	2,024,128	-
Total	<u>2,024,128</u>	<u>-</u>



NOTE : 12 TANGIBLE ASSETS AS AT 31.03.2014

S. No.	NAME OF ASSETS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
		Cost As At 01-04-2013 ₹	Additions During The Year ₹	Deduction During The Year ₹	Cost As At 31.03.2014 ₹	As At 01.04.2013 ₹	For The Year ₹	Deductions During The Year ₹	Up To 31.03.2014 ₹	As At 31.03.2014 ₹	As At 31.03.2013 ₹
1	Land	5,635,342	-	-	5,635,342	-	-	-	-	5,635,342	5,635,342
2	Building	20,242,227	2,704,355	-	22,946,582	676,338	-	7,767,544	-	15,179,038	13,151,021
3	Plant & Machinery	344,437,682	24,860,670	2,263,421	367,034,931	24,743,029	2,259,722	188,003,584	-	179,031,347	178,917,405
4	Vehicles	22,572,261	765,546	2,693,970	20,643,837	2,140,922	767,655	6,627,881	-	14,015,956	17,317,647
5	Furniture & Fixture	3,766,805	-	-	3,766,805	211,476	-	1,622,097	-	2,144,708	2,356,184
6	Office Equipments	6,074,249	1,258,982	-	7,333,231	516,654	-	2,691,205	-	4,642,026	3,899,698
7	Electrical Installation	5,520,625	32,371	-	5,552,996	237,659	-	3,394,407	-	2,158,589	2,363,877
8	Tubewell	271,708	-	-	271,708	4,429	-	84,657	-	187,051	191,480
9	Computer	3,436,315	277,116	-	3,713,431	148,999	-	3,106,431	-	607,000	478,883
	Total	411,957,214	29,899,040	4,957,391	436,898,863	28,679,505	3,027,377	213,297,805	223,601,058	224,311,537	
	*Capital Work In Progress (Building)	-	4,728,483	2,704,355	2,024,128	-	-	-	-	2,024,128	-
	Total	411,957,214	34,627,523	7,661,746	438,922,991	28,679,505	3,027,377	213,297,805	225,625,186	224,311,537	
	31st March, 2013	354,870,681	58,274,494	1,187,968	411,957,207	24,427,881	586,647	224,311,535	194,147,909	-	

*Capital Work In Progress Transferred to Building

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 13 NON -CURRENT INVESTMENTS		
Unquoted Non Trade equity instruments(At Cost)		
Investments in equity instruments	860,000	860,000
33,000 fully paid up Equity Shares of ₹ 10/- each of Talbro's Cork Products Pvt.Ltd (₹ 8,60,000/-)		
Total	860,000	860,000
NOTE : 14 LONG TERMS LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	26,682,408	22,127,468
Security Deposits	4,091,896	3,553,434
Total	30,774,304	25,680,902
NOTE : 15 INVENTORIES		
(Taken, Valued and Certified by the Management)		
Raw Materials	29,670,012	30,414,998
Work-in-Progress	84,147,626	85,411,457
Finished Goods	122,469	172,448
Stores, Spares and Loose Tools	7,776,466	2,730,334
Scrap	2,407,425	2,676,252
Others(Packing Materials)	224,000	30,320
Total	124,347,998	121,435,809
NOTE : 16 TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	3,661,288	4,743,978
Others	149,046,907	185,362,514
Total	152,708,195	190,106,492
NOTE : 17 CASH AND BANK BALANCES		
(a) Cash and Cash Equivalents		
Cash on hand	32,638	257,463
Balances with banks - In current accounts	53,486,524	34,137,591
(b) Other Bank Balances		
Fixed Deposit with Bank (Current Maturity)	5,823,724	5,372,880
Margin Money with Bank	666,350	561,096
Total	60,009,236	40,329,030



TALBROS ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 18 SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance Recoverable in Cash or in Kind	1,626,920	1,306,811
Loans to Employees	458,453	486,334
Advance to Suppliers	9,130,642	5,894,184
Balances with Statutory/Government Authorities:-		
Excise Duty Balance	20,917,738	27,106,482
Income Tax Advance	3,934,113	3,613,688
Sales Tax Advance	15,654,370	15,637,290
Other Short Term Loans and Advances:-		
Advance Income Tax F.Y.2013-14	20,757,914	20,084,386
Prepaid Expenses	836,127	623,991
Total	73,316,277	74,753,166
18.1 OTHER CURRENT ASSETS		
Duty Drawback Receivable	1,736,708	1,844,695
Total	1,736,708	1,844,695
	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
NOTE : 19 REVENUE FROM OPERATIONS		
Sale of Products:-		
- Domestic Sales	1,083,439,819	1,181,513,526
- Export Sales	181,396,671	222,870,673
	1,264,836,490	1,404,384,199
Other Operational Revenues:-		
- Job Work Sales	-	8,000
- Scrap Sales	29,675,323	26,386,787
	29,675,323	26,394,787
Total	1,294,511,813	1,430,778,986
NOTE : 20 OTHER INCOME		
Interest Income	584,052	573,647
Discount Received	24,145,026	21,843,349
Duty Drawback Received	3,432,779	4,942,880
Foreign Exchange Fluctuation	312,941	1,628,531
Liabilities written back to the extent not required	1,002,135	1,922,523
Other non-operating income (Misc.Income)	187,853	370,895
Total	29,664,787	31,281,825

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
NOTE : 21 COST OF RAW MATERIAL CONSUMED		
Opening Stock	30,414,998	36,803,423
Add: Purchases	587,329,116	679,737,581
: Cartage Inward	1,104,890	2,260,624
	<u>618,849,004</u>	<u>718,801,628</u>
Less: Closing Stock	<u>29,670,012</u>	<u>30,414,998</u>
Total	<u><u>589,178,993</u></u>	<u><u>688,386,630</u></u>
NOTES : 22 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE		
CLOSING STOCK:		
- Finished Goods	122,469	172,448
- Work-in-progress	84,147,626	85,411,457
- Scrap	2,407,425	2,676,252
	<u>86,677,520</u>	<u>88,260,157</u>
Less: OPENING STOCK:		
- Finished Goods	172,448	223,014
- Work-in-progress	85,411,457	45,427,488
- Scrap	2,676,252	1,887,889
	<u>88,260,157</u>	<u>47,538,391</u>
(INCREASE)/DECREASE IN STOCK	<u><u>1,582,637</u></u>	<u><u>(40,721,766)</u></u>
NOTE : 23 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	80,663,145	72,183,294
Contribution to Provident and other Funds	4,065,956	3,710,361
Director's Remuneration	4,548,384	4,330,452
Gratuity	1,289,725	1,707,997
Staff Welfare Expenses	15,721,531	14,714,407
Total	<u><u>106,288,741</u></u>	<u><u>96,646,511</u></u>
NOTE : 24 FINANCE COSTS		
Interest Expense	25,002,764	24,231,696
Other Borrowing Cost	11,068,516	11,587,859
Total	<u><u>36,071,280</u></u>	<u><u>35,819,555</u></u>
NOTE : 25 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	28,679,505	24,427,881
Less:- Amt trf from Revaluation Reserve	(29,849)	(29,849)
Total	<u><u>28,649,656</u></u>	<u><u>24,398,032</u></u>



TALBROS ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
NOTE : 26 OTHER EXPENSES		
Manufacturing Expenses:-		
Stores, Spares and Tools Consumed	105,471,278	138,802,762
Power & Fuel	122,739,907	138,938,616
Processing Charges	30,045,395	35,746,782
Repairs & Maintenance:		
Buildings	4,092,646	5,515,594
Plant & Machinery	27,433,048	39,480,522
Other	3,498,070	3,675,649
Total (A)	293,280,345	362,159,926
Administrative Expenses		
Rent, Rates and Taxes	591,614	1,007,301
Insurance	1,095,007	1,078,660
Travelling Expenses	5,705,547	2,940,468
Commission on Sale	1,274,702	2,035,282
Discounts	2,023,641	95,202
Commission & Discont on DEPB Licence	-	187,783
Packing Expenses	30,184,475	32,455,991
Advertisement & Sales Promotion	1,557,608	744,881
Printing & Stationary	1,217,405	1,040,627
Postage & Telegram	347,910	341,521
Telephone Expenses	851,604	818,421
Legal & Professional Charges	2,537,075	1,466,280
Membership & Subscription	104,040	316,246
Charity & Donation	25,700	583,701
Security Services	2,920,651	2,297,495
Miscellaneous Expenses	497,416	502,057
Loss on Sale of Fixed Assets (Net)	684,009	256,321
Conveyance Expenses	746,911	694,392
Warranty Claim Paid	57,537	57,769
Vehicles Running & Maintenance	1,763,206	1,697,658
Freight Outward	33,537,068	36,642,415
Bad Debts written-off	843,255	268,016
Auditors Remuneration :-		
Audit Fees	350,000	350,000
Limited Review	75,000	75,000
Director's Sitting Fee	7,500	5,000
Total (B)	88,998,881	87,958,486
TOTAL (A+B)	382,279,226	450,118,412

NOTE : 27 SEGMENT REPORTING

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
NOTE : 28 FOREIGN CURRENCY TRANSACTIONS:		
I. CIF Value of Imports:		
a) Plant & Machinery	-	10,086,232
II. Expenditure in Foreign currency		
a) Commission on Export Sales	1,222,024	1,707,660
b) Foreign Travel (Foreign Exchange Utilized)	2,978,662	1,423,810
c) Repair & Maint. (Plant & Mach.)	789,989	384,768
d) Foreign Exhibition	755,128	-
III. Earnings in Foreign Exchange		
Value of Export on F.O.B. basis	181,446,378	217,042,467

NOTE : 29 DEFINED BENEFIT PLANS AS PER AS-15
29.1 Gratuity :-

Assumptions		
Discount Rate	8%	8%
Salary Escalation	6%	6%

Employee Benefits
Defined Contribution Plans :-

The Company has recognised INR 1,289,725 (P.Y. INR 1,707,997) as expense in Statement of Profit & Loss.

Defined Benefit Plans :-

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the Balance Sheet for the respective plans (as per Actuarial Valuation as on 31st March 2014).

Table showing changes in present value of obligation

Present Value of Obligation as at beginning of Year	13,465,033	10,751,132
Interest Cost	1,077,203	860,091
Current Service Cost	717,040	561,227
Benefit Paid	(1,845,781)	(699,680)
Actuarial (Gain) / Loss on obligation	(76,078)	1,333,637
Present Value of Obligation as at end of Year	13,337,417	12,806,407

Table Showing changes in the Fair Value of Plan Assets As on 31.03.2014

Fair Value of Plan Assets at Beginning of Year	12,500,912	10,746,252
Expected Return on Plan Assets	1,087,066	1,046,958
Contributions	1,022,535	1,407,382
Benefit Paid	(1,845,781)	(699,680)
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Present Value of Plan Assets at end of Year	12,764,732	12,500,912

Table Showing Fair Value of Plan Assets

Fair Value of Plan Assets at Beginning of Year	12,500,912	10,746,252
Actual Return on Plan Assets	1,087,066	1,046,958
Contributions	1,022,535	1,407,382
Benefit Paid	(1,845,781)	(699,680)
Fair Value of Plan Assets at end of Year	12,764,732	12,500,912
Funded Status	(572,685)	(305,495)
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	76,078	(1,333,637)



TALBROS ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Actuarial Gain / Loss for the year - plan assets	NIL	NIL
Total Gain / Loss for the year	(76,078)	13,33,637
Actuarial Gain / Loss recognized in the year	(76,078)	13,33,637
Net Assets / (Liability) Recognized in Balance Sheet		
Present value of obligations as at the end of year	13,337,417	128,06,407
Fair value of plan assets as at the end of the year	12,764,732	125,00,912
Fund status	(572,685)	(305,495)
Net Assets / (Liability) Recognized in Balance Sheet	(572,685)	(305,495)
Expense Recognized in statement of profit and loss		
Current Service Cost	717,040	5,61,227
Interest Cost	1,077,203	8,60,091
Expected return on plan assets	(1,087,066)	(1,046,958)
Net Actuarial (Gain) / Loss recognized in the year	(76,078)	13,33,637
Expenses recognized in statement of profit and loss	631,099	17,07,997

29.2 Leave Encashment:-

Following Basis were adopted for the computation of the said liabilities

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

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

Numbers of Employees	Actuarial Value of Leave Encashment 31.03.2014	Numbers of Employees	Actuarial Value of Leave Encashment 31.03.2013
208	2,196,379	210	2,042,736

For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
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NOTE : 30 CONTINGENT LIABILITIES AND COMMITMENTS

30.1 Contingent liabilities

i) Guarantees	1,272,500	1,204,500
ii) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	35,472,790	41,505,050
iii) Estimated amount of contracts remaining to be executed on capital account and not provided		
Total value of Contracts	56,350,833	73,471,668
Contracts Remaining to be executed	29,668,425	51,344,200

NOTE : 31 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: -

Salaries	4,512,384	4,189,512
Perquisites	36,000	140,940
Employer Contribution to Provident Fund	264,735	273,715
Total	4,813,119	4,604,167

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
NOTE : 32 RELATED PARTY DISCLOSURE AS PER (AS-18) ISSUED BY ICAI:-
Key managerial personnel and their Relatives

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2014 ₹	31.03.2013 ₹	31.03.2014 ₹	31.03.2013 ₹
MR. RAJESH TALWAR	SALARY	3,000,000	3,000,000	(1,52,505)	(1,58,148)
	FD RECEIVED	2,900,000	-	(36,00,000)	(7,00,000)
	INTT. ON FD	303,241	87,500	-	-
MR. TARUN TALWAR	FD RECEIVED	-	-	-	(10,53,123)
	INTT. ON FD	-	154,092	-	-
	SALARY	2,880,000	2,236,213	(206, 687)	(143,153)
	FD CONVERTED	1,053,123	226,425	-	-
MR. TARUN TALWAR (HUF)	FD RECEIVED	435,000	-	(467, 506)	-
	INTT. ON FD	36,118	-	-	-
Mr. SANJAY SHARMA	SALARY	837,996	382,158	(48,515)	(42,487)
Mr. VIJAY SHARMA	SALARY	830,368	378,354	(40,131)	(38,541)
DIRECTOR'S RELATIVES					
MRS. GITA TALWAR	LOAN RECEIVED	-	1,000,000	(1,61,00,000)	(1,61,00,000)
	LOAN TRF. FROM FD/PAID	-	1,000,000	-	-
	FD RECEIVED	3,000,000	11,975,000	(1,58,45,000)	(1,28,45,000)
	INTT ON FD	4,384,295	1,495,447	-	-
MS. SAMEENA TALWAR	FD RECEIVED	655,000	17,05,000	(75,96,904)	(69,34,107)
	INTT. ON FD	911,132	825,393	-	-
	FD CONVERTED	-	218,802	-	-
AMAR TALWAR U/G	FD RECEIVED	-	-	(7,74,950)	(6,93,480)
Mrs. SAMEENA TALWAR	INTT. ON FD	90,521	80,917	-	-
SHIV TALWAR U/G	FD RECEIVED	500,000	-	(5,12,031)	-
Mrs. SAMEENA TALWAR	INTT. ON FD	13,368	-	-	-
SHWETA TALWAR	FD RECEIVED/ CONVERTED	1,053,123	-	(55,955)	-
	INTT. ON FD	69,439	-	-	-

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

J.T. Engineering Private Limited

Name of Person	Nature of Transaction	Transaction Amount		Receivables/(Payables)	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
J.T. Engineering Private Limited.	Job Work Charges Paid	3,723,152	4,021,919	(14,69,621)	(11,15,440)



TALBROS ENGINEERING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31st March, 2014 ₹	For the Year Ended 31st March, 2013 ₹
NOTE : 33 EARNING PER SHARE		
Earning per Share computed in accordance with Accounting Standard (AS-20)		
a) Numerator		
Net profit after taxation as per Statement of Profit and Loss	38,928,567	50,860,668
b) Denominator		
No. of Shares at the beginning of the year	1,410,140	1,410,140
Total Equity shares outstanding at the end of the year	2,538,252	1,410,140
Weighted Average no of Equity shares for the year	2,159,432	1,410,140
Weighted Average of Diluted Equity shares for the year	2,159,432	1,410,140
c) Face value per Share (₹)	10	10
d) Earning Per Share		
Basic and Diluted (₹) (Restated)	18.03	23.93

NOTE : 34 LICENCED AND INSTALLED CAPACITY

	Axles Shafts (Nos.)	Axles Shafts (Nos.)
Licensed Capacity	N.A.	N.A.
Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter)	1,300,000	1,300,000
	(1,200,000)	(1,200,000)
Actual Production	1,048,320	1,195,843
	(1,195,843)	(1,011,465)

Note:- Figures in bracket denotes figures of previous year

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

Turnover Finished Good	Units	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
		Quantity	Value ₹	Quantity	Value ₹
Axle Shafts	Nos.	1,048,387	1,264,836,490	1,195,876	1,403,526,679
Scrap and Others	Kgs.	1,395,415	29,675,323	1,382,650	26,386,787
TOTAL			1,294,511,813		1,429,913,466
STOCKS OF GOODS					
Opening Stock:					
Axle Shafts	Nos.	241	172,448	274	223,014
Closing Stock:					
Axle Shafts	Nos.	174	122,469	241	172,448

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE : 36 CONSUMPTION ANALYSIS

Units	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013		
	Quantity	Value ₹	Quantity	Value ₹	
Consumption of raw material and components:-					
Metalic Rods	Kgs	12,518,702	589,178,993	14,396,265	670,433,628
indegeous		100%	589,178,993	100%	670,433,628
Total		100%	589,178,993	100%	670,433,628
36.1 Compositions of Stores, Spares and tools Consumed:-					
Indigenous		100%	105,471,278	100%	138,802,762
Total		100%	105,471,278	100%	138,802,762

- 37 In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation at least equal to the amount at which they are stated in the Balance Sheet and provision or all known liabilities have been made.
- 38 The company has initiated the process of obtaining confirmations from suppliers regarding the registration under Micro, Small and Medium Enterprises Development Act, 2006, The Suppliers are not registered wherever the confirmations are received and in other cases, the company is not aware of their registration status and hence information relating to the outstanding balance or interest due is not disclosed as it is not determinable
- 39 Previous year figures have been redrawn to confirm to the curent year's classification as per the notification of Revised Schedule VI under the Companies Act, 1956 for the financial year commencing on or after 01.04.2011
- 40 All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.
- 41 Note No.1 to 40 are annexed to and form an integral part of the Balance sheet and Statement of Profit and loss for the year ended as on that Date.

As per our report of even date
For **Rakesh Raj & Associates**
Chartered Accountants
Regn No. 005145 N

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

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Sd/-
Tarun Talwar
Managing Director

Sd/-
Kartik Talwar
Director

Place: Faridabad
Date: 27.05.2014



TALBROS ENGINEERING LIMITED

CIN: L74210HR1986PLC033018

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

Ph.: 0129-4284300, Fax: 0129-40161541

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **28th ANNUAL GENERAL MEETING** of the Company at Hotel Millennium Plus, 57, Neelam Bata Road, Faridabad, Haryana – 121001 at 11:30 a.m. on Saturday the 13th September, 2014.

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

.....
Signature of the Member/Proxy

Note:

1. Please complete the Folio/DPID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall
2. Electronic copy of the Annual Report for the financial period ended on 31.12.2013 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2014 and Notice of Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.