



**30th  
Annual  
Report  
2015-16**

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**TALBROS ENGINEERING LIMITED**



## TALBROS ENGINEERING LIMITED

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### 30TH ANNUAL REPORT 2015-2016

#### BOARD OF DIRECTORS

MR. TARUN TALWAR	<i>(Managing Director)</i>
MR. KARTIK TALWAR	<i>(Non Independent Non Executive Director)</i>
MR. SANJAY SHARMA	<i>(Executive Director)</i>
MR. VIJAY KUMAR SHARMA	<i>(Executive Director)</i>
MR. SUNIL KUMAR	<i>(Independent Director)</i>
MS. PRIYANKA KHATTAR	<i>(Independent Director)</i>

#### CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

#### COMPANY SECRETARY

MR. ANKUSH JINDAL

#### BANKERS

INDUSIND BANK LIMITED  
HDFC BANK LIMITED  
DBS BANK LTD

#### 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.  
BEETAL 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. 35,36,37,38 & 57, INDL. AREA, HATHIN,  
DISTT. PALWAL (HARYANA)  
PLOT NO. 77, SECTOR-68, IMT FARIDABAD. HARYANA  
PLOT NO. 76, SECTOR-6, FARIDABAD. HARYANA

#### STOCK EXCHANGE

BOMBAY STOCK EXCHANGE LIMITED

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## DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 30<sup>th</sup> Annual Report on the business and operations of the Company alongwith the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31<sup>st</sup> March 2016.

### FINANCIAL RESULTS:

(₹ in Lacs)

Particulars	Year Ended 31st March, 2016	Year Ended 31st March, 2015
Gross Sales	15,407.52	13,829.10
Less :Excise Duty	1,476.78	1,209.16
Net Sales	13,930.74	12,619.94
Other Income	206.02	260.38
Total Income	14,136.76	12,880.32
Profit before Interest, Depreciation & Tax	1,165.80	1,264.18
Less :Interest	290.74	245.33
Depreciation	354.30	358.90
Profit Before Tax	520.76	659.95
Less :Previous Year adjustments	NIL	2.86
Provision for Wealth Tax	NIL	0.47
Provision for current year income-tax	200.00	244.60
Provision for Deferred Tax	(15.79)	(42.86)
Net Profit after tax	336.55	454.88
Add :Balance carried from Profit & Loss A/c	2,034.20	1,808.49
Net profit after tax and adjustments	2,370.75	2,263.37
Dividends		
Less :Interim Dividend	NIL	NIL
Final Dividend (Proposed)	NIL	152.30
Dividend Distribution Tax on Proposed Dividend	NIL	31.87
Transferred to General Reserve	34.00	45.00
Balance carried to Balance Sheet	2,336.75	2,034.20
EPS (Basic)	13.26	17.92
EPS (Diluted)	13.26	17.92

### REVIEW OF OPERATIONS:

The net revenue from operations of the Company stands at ₹ 13,930.74 Lacs in this financial year ended on 31<sup>st</sup> March, 2016 at a growth of around 10.39 % as against ₹ 12,619.94 Lacs for the previous financial year. The net profit after tax for this year is ₹ 336.55 Lacs as compared

to ₹ 454.87 Lacs for the previous financial year resulting a decline of 26.00%. This decline in profits is due to the higher interest burden, due to capex investment and also the increase in input cost not recoverable from customers in a comparative market. The continuous slide downwards of steel prices during the course of year resulted in low margins while disposing the higher price inventory. Finally, due to extreme pressure from domestic OEMs, focus got diluted from the export segment. With an increase in capacity coming through financial year 2016-17, we can expect higher focus on exports.

Reserves & Surplus as on 31<sup>st</sup> March, 2016 will stand at ₹ 3,338.07 Lacs as against the paid-up capital of ₹ 253.83 Lacs.

### DIVIDEND:

Your Directors does not recommend dividend for the financial year 2015-16 keeping in mind the expansions planned for better growth of the Company. Land has been acquired for two new plants. Commercial production in one plant is expected to start from December, 2016.

### TRANSFER TO GENERAL RESERVE:

The Company proposes a transfer of ₹ 34,00,000/- (Rupees Thirty Four Lacs) to the general reserves out of the amount available for appropriation and an amount of ₹ 3.03 Crores is proposed to be retained in the profit and loss account.

### SHARE CAPITAL

The paid up equity capital of the Company as on March 31, 2016 was ₹ 253.83 Lacs during the year under review.

### TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

In terms of Section 125 of the Companies Act, 2013, no unclaimed dividend in relation to any financial year is due for remittance to the Investor Education and Protection Fund established by the Central Government.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper Internal Control System commensurate with the size, scale and complexity of its operations. The Company has appointed M/s Harshit Bansal & Associates, Chartered Accountants as Internal Auditors of the Company for financial year 2015-16. To maintain the objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board and to the Managing Director/CEO.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the company,

accounting procedures and policies. Based on the internal audit report, the Company undertake corrective action in their respective areas and thereby strengthen the control.

## MARKETING AND EXPORT:

The export sales have been declined to ₹ 2,200.92 Lacs in financial year 2015-16 as against ₹ 2,870.32 Lacs in previous year.

## RATING:

Your Company has been assigned a rating of BBB+ for Long Term Bank Facilities (Term Loans) of ₹ 10.80 Crores and rating of BBB+/A2 for Long / Short Term Bank Facilities (Fund Based Limits) availed from Indusind Bank Limited and DBS Bank Ltd The rating is assigned by CARE (Credit Analysis & Research Limited).

## SUBSIDIARIES:

The Company is not having any subsidiary company.

## DIRECTORS:

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

Mr. Sanjay Sharma, Executive Director is liable to retire by rotation and being eligible offers himself for re-appointment. Your Directors recommend for his re-appointment.

Pursuant to section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company during the year are Mr. Tarun Talwar, Managing Director, Mr. Kanwar Pal Pawar, Chief Financial Officer and Mr. Ankush Jindal, Company Secretary. There has been no change in the key managerial personnel during the year.

Further, Mr. Kartik Talwar, Non Executive Non Independent Director has resigned from the Directorship effective from 29<sup>th</sup> April, 2016. In order to maintain the proper quorum and in compliance with the Companies Act, 2013 and rules made thereunder and SEBI (Listing Regulations), 2015, the Board of Directors has appointed Mrs. Gita Talwar, Mr. Kuldeep Singh Bhalla and Mr. Nitin Agarwal as Additional Directors of the Company w.e.f. 29<sup>th</sup> April, 2016.

Afterwards, Mrs. Gita Talwar and Mr. Nitin Agarwal have also resigned from the post of Additional Directors effective from 06<sup>th</sup> June, 2016 and the Board has accepted the same in Board Meeting held on 07<sup>th</sup> June, 2016. Also, the Board has decided to re-designate Mr. Tarun Talwar from Managing Director to Chief Executive Officer (CEO) of the Company effective from 07<sup>th</sup> June, 2016.

Your Directors recommend to pass necessary resolution for appointment of Mr. Kuldeep Singh Bhalla as

Independent Director as set out in the item no. 4 of the notice of the annual general meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(5), the Board confirm and submit the Directors, Responsibility Statement:-

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) the directors had 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) the directors had taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DECLARATION BY INDEPENDENT DIRECTORS:

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

## NUMBER OF MEETINGS OF THE BOARD:

The Board met 7 (Seven) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

## BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, Independent Directors

at their meeting without the participation of the Non-Independent Directors and Management, considered / evaluated the Boards' performance including the chairman.

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

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

## **POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION:**

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

## **CODE OF CONDUCT:**

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

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

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

## **AUDIT COMMITTEE:**

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

The Committee has been reconstituted on 07<sup>th</sup> June, 2016 as detailed in Corporate Governance Report.

## **NOMINATION AND REMUNERATION COMMITTEE:**

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

The Committee has been reconstituted on 29<sup>th</sup> April, 2016

and 07<sup>th</sup> June, 2016 as detailed in Corporate Governance Report.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

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

## **RELATED PARTY TRANSACTIONS:**

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

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

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

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

## **STATUTORY AUDITORS:**

Comments of the Auditors in their report and the notes forming part of the Balance Sheet are self explanatory and need no comments. The Auditors can be appointed for two more years in term of section 139(2) of the Companies Act, 2013.

Your directors request the ratification of M/s Rakesh Raj & Associates as Statutory Auditors for Financial Year 2016-17. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013

You are requested to ratify their appointment as Statutory Auditors from the conclusion of this Annual General Meeting upto the conclusion of 31<sup>st</sup> Annual General Meeting.



## SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:

The Company has appointed M/s Sonal Agarwal & Associates, Company Secretaries to hold the office of Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2016 is being attached with the Director's Report as Annexure – B which is self explanatory and needs no comments.

## COST AUDITOR'S AND THEIR REPORT:

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

## INSURANCE AND RISK MANAGEMENT:

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

## PREVENTION OF INSIDER TRADING:

The SEBI has notified SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new code for prevention of insider trading. The same has also been published on the website of the Company.

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

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

## DEPOSITS:

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

## CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory

Auditor's Certificate dated 05 August, 2016 in accordance with SEBI (Listing Regulations), 2015 and report on Corporate Governance is annexed to and forming part of the Director's Report.

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

## CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to discharging its social responsibility as a good corporate citizen. As part of its social responsibility, the Company has contributed to various NGOs for promoting good education, building schools for under privileged childrens, contribution for softwares and hardwares required for providing good knowledge and education to the childrens.

Further, the Company has also contributed to a NGO namely Shree Sardar Vallabhai Patel Rotary General Hospital Trust for promoting health in rural areas where people lack the right guidance for regular health check-ups and proper treatment.

The Company has contributed a major portion of its CSR expenditure in construction of Orphanage house in Dehradun.

Also, the Company has taken an initiative to maintain the flora around its Registered Office.

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

The present Composition of the CSR committee is:

1. Mr. Sanjay Sharma, Executive Director
2. Mr. Vijay Kumar Sharma, Executive Director
3. Mr. Sunil Kumar, Independent Director

The average net profit of the company for last three (3) financial years is ₹ 6.70 Crores (approx). The threshold limit (2%) is ₹ 13.40 Lacs (approx). The total proposed spending on CSR for year 2015-16 was ₹ 14.77 Lacs (approx.) including unspent amount of ₹ 1.37 Lacs for year 2014-15.

The total amount spent by the Company in year 2015-16 is ₹ 14.80 Lakhs.

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

S. No.	CSR Project/activity identified	Sector in which the project is covered	Projects/ Programs Local area/others	Amount outlay (budget) project or programs wise (₹ In Lakhs)	Amount spent on the project/ Program (₹ In Lakhs)	Cumulative expenditure upto the date of reporting period (₹ In Lakhs)	Amount Spent: Director or through implementing agency (₹ In Lakhs)
1	Promoting Preventive Health Care	Healthcare	Ankleshwar (Gujarat)	2.00	2.00	2.00	2.00
2	Promoting Education	Education	New Delhi	3.00	3.00	3.00	3.00
3	Building Construction for Orphans	Construction	Dehradun	5.00	5.00	5.00	5.00
4	Promoting Education and Health Care	Education & Healthcare	New Delhi	1.00	1.00	1.00	1.00
5	Protection of Flora & Fauna	Flora & Fauna	Faridabad	3.80	3.80	3.80	3.80
				<b>14.80</b>	<b>14.80</b>	<b>14.80</b>	<b>14.80</b>

\* Details of Implementing Agency: Shree Sardar Vallabhai Patel Rotary General Hospital Trust, RBTH Singh Memorial Charitable Hospital Society, Shri Shradhanand Bal Vanita Ashram and Savera Association.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

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

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

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

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

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee of the company has received the remuneration in excess to the limits set out in the rules.

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

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

**Amount (In ₹)**

Name of the Director	Designation	Remuneration paid	Ratio to median remuneration
Mr. Tarun Talwar	Managing Director	52.56	37.75
Mr. Sanjay Sharma	Executive Director	9.26	6.65
Mr. Vijay Kumar Sharma	Executive Director	9.18	6.59
Mr. Kartik Talwar	Director	0.00	Not Applicable
Mr. Sunil Kumar	Independent Director	0.05	Only sitting fees paid
Ms. Priyanka Khattar	Independent Director	0.05	Only sitting fees paid

## (b) Percentage increase in remuneration of Directors and KMPs

Amount (In ₹)

Name of the Director/KMP	Designation	Remuneration for the year ended 2015-16	Remuneration for the year ended 2014-15	% change during the year
Mr. Tarun Talwar	Managing Director	52.56	32.30	62.72
Mr. Sanjay Sharma	Executive Director	9.26	8.80	5.23
Mr. Vijay Kumar Sharma	Executive Director	9.18	8.72	5.28
Mr. Kartik Talwar	Director	0.00	0.00	0.00
Mr. Sunil Kumar	Independent Director	0.05	0.05	0.00
Ms. Priyanka Khattar	Independent Director	0.05	0.05	0.00
Mr. Ankush Jindal	Company Secretary	5.35	4.20*	27.38
Mr. Kanwar Pal Pawar	CFO	3.28	3.09	6.15

\* Remuneration paid for the period 01<sup>st</sup> June, 2014 to 31<sup>st</sup> March, 2015.

- (c) The median remuneration of the employees has increased by 6.76 % in 2015-16 as compared to 2014-15
- (d) Number of permanent employees on the rolls of the Company.

Financial Year	No. of Employees
2014-15	192
2015-16	217

These numbers are exclusive of Directors and President of the Company.

- (e) The Company's overall turnover has been increased by 10.39% and keeping in mind the performance of company viz a viz Directors and KMPs, the company has incremented their salaries based on the position and responsibilities allocated to them. The Company has paid remuneration in line with the policy adopted for payment of remuneration.
- (f) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Particulars	Amount (In Crores)
Aggregate Remuneration of key managerial personnel in FY 2015-16	0.80
Revenue for the year 2015-16	141.37
Remuneration of KMPs (as a % of revenue)	0.57
Profit Before Tax (PBT)	5.21
Remuneration of KMPs (as a % of PBT)	15.36

## (g) Market Capitalization and Price Earning Ratio

Particulars	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015
Price Earning Ratio	11.92	3.56
Market Capitalization (₹ In Crores)	40.10	16.19

Particulars	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015
Net worth of the Company (₹ In Crores)	35.92	32.56

- (h) There is no variable component availed by the directors during the year.
- (i) No employee has received remuneration in excess to the remuneration paid to Mr. Tarun Talwar, Managing Director of the Company during the year.
- (j) We affirm that the remuneration paid to Directors, Key Managerial Personnel's and employees is as per the remuneration policy of the Company.

### CORPORATE GOVERNANCE CERTIFICATE:

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

### EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2015-16 being attached with the Directors Report as Annexure - C

### ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Sd/-

**Sanjay Sharma**  
Chairman

Place: Faridabad  
Date : 05 August, 2016



## Form No. AOC-2

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

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

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

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

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

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

**ANNEXURE-A****CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of Energy:**

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

- No use of Diesel Generator sets for machines during power cut off which results in less consumption of diesel.
- The LDO required machineries have been transferred to electricity in order to conserve the resources.
- CFL and LEDs have been installed in Machine Shops to conserve energy.
- The company is using LPG in certain machineries in order to create a pollution free environment around the work area.
- Set up of new upgraded machineries have been adopted with inverter drives which consequently will lead to less electricity consumption.

**(B) Technology absorption:**

- The 7 inch upsetter purchased in last fiscal has been installed in the factory premises in the

current year for better production growth and quality improvement to meet the customer needs.

- The company has also installed 2 CNCs and 1 VMC in premises which results in better product quality and cost reduction.
- The company has not incurred any expenditure on Research & Development activities during the year under review.

**(C) Foreign Exchange Earning and Outgo:**

S. No.	Particulars	Amount (In ₹)
	<b>Expenditure</b>	
1	CIF Value of Plant and Machinery imported	33,97,827
2	Commission on Export Sales	16,35,038
3	Foreign Travelling	19,18,905
4	Repair & Maintenance (Plant & Machinery)	1,52,137
	<b>Total</b>	<b>71,03,907</b>
	<b>Earnings</b>	
1	Value of Exports on FOB Basis	21,40,48,743
	<b>Total</b>	<b>21,40,48,743</b>

## ANNEXURE-B

### SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2016

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016, according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) OTHER APPLICABLE ACTS,
- (a) Factories Act, 1948
  - (b) Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
  - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - (f) The Payment of Bonus Act, 1956, and rules made thereunder,
  - (g) Payment of Gratuity Act, 1972, and rules made thereunder,

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

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

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

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no Changes in the composition of the Board of Directors during the period under review.

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

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

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

Sd/-

**Sonal Agarwal**

Practising Company Secretary

M. NO. ACS 33123

COP No. 12199

Place: Faridabad

Date : 05 August, 2016

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

## **ANNEXURE 1**

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

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

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

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

Sd/-

**Sonal Agarwal**

Practising Company Secretary

M. NO. ACS 33123

COP No. 12199

Place: Faridabad

Date : 05 August, 2016

**ANNEXURE-C**

**FORM NO. MGT-9**

**EXTRACTS OF ANNUAL RETURN**

**As on the financial year ended on**

**31st March, 2016**

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

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN: L74210HR1986PLC033018
- ii) Registration Date: 09/10/1986
- iii) Name of the Company: TALBROS ENGINEERING LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered Office and contact details:  
Plot No. 74-75, Sector 6, Faridabad, Haryana – 121 006  
Ph.: 0129-4284300, Fax: 0129-4061541
- vi) Whether listed Company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent:  
Beetal Financial & Computer Services Private Limited  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi – 110 019, Ph.: 011-29961281, 29961282

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) INDIAN</b>									
a) Individual / HUF	18,35,936	Nil	18,35,936	72.33	18,42,936	Nil	18,42,936	72.61	0.28
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>18,35,936</b>	<b>Nil</b>	<b>18,35,936</b>	<b>72.33</b>	<b>18,42,936</b>	<b>Nil</b>	<b>18,42,936</b>	<b>72.61</b>	<b>0.28</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) FOREIGN</b>									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other– Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A)= (A)(1) + (A)(2)</b>	<b>18,35,936</b>	<b>Nil</b>	<b>18,35,936</b>	<b>72.33</b>	<b>18,42,936</b>	<b>Nil</b>	<b>18,42,936</b>	<b>72.61</b>	<b>0.28</b>
<b>B.PUBLIC SHAREHOLDING</b>									
<b>1) INSTITUTIONS</b>									
a) Mutual Funds	4,043	Nil	4,043	0.16	293	Nil	293	0.01	(0.15)
b) Banks / FI	45,715	360	46,075	1.82	Nil	360	360	0.01	(1.81)
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	45,715	Nil	45,715	1.80	1.80
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>49,758</b>	<b>360</b>	<b>50,118</b>	<b>1.98</b>	<b>46,008</b>	<b>360</b>	<b>46,368</b>	<b>1.82</b>	<b>(0.16)</b>
<b>2) NON-INSTITUTIONS</b>									
a) Bodies Corp.									
i) Indian	7,547	3,075	10,622	0.42	13,549	2,075	15,624	0.62	0.20
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals*									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh/2 lakh	1,80,704	1,83,433	3,64,137	14.35	2,64,297	1,34,716	3,99,013	15.72	1.37
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh/ 2 lakh	30,450	Nil	30,450	1.20	Nil	Nil	Nil	Nil	(1.20)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others:									
i) Trusts	20	Nil	20	0.00	20	Nil	20	0.00	Nil
ii) NRI	2,35,024	310	2,35,334	9.27	2,28,718	310	2,29,028	9.02	(0.25)
iii)HUF	11,635	Nil	11,635	0.46	5,192	Nil	5,192	0.20	(0.26)
iv)Clearing Member	Nil	Nil	Nil	Nil	71	Nil	71	0.002	0.002
<b>Sub-total (B)(2):-</b>	<b>4,65,380</b>	<b>1,86,818</b>	<b>6,52,198</b>	<b>25.70</b>	<b>5,11,776</b>	<b>1,37,101</b>	<b>6,48,948</b>	<b>25.57</b>	<b>(0.13)</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>5,15,138</b>	<b>1,87,178</b>	<b>7,02,316</b>	<b>27.67</b>	<b>5,57,855</b>	<b>1,37,461</b>	<b>6,95,316</b>	<b>27.39</b>	<b>(0.28)</b>
C.Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total(A+B+C)</b>	<b>23,51,074</b>	<b>1,87,178</b>	<b>25,38,252</b>	<b>100.00</b>	<b>23,55,005</b>	<b>1,37,461</b>	<b>25,38,252</b>	<b>100.00</b>	<b>Nil</b>

\* The figures denominate Shareholders holding shares upto ₹ 1 lakh for previous year and ₹ 2 lakh for current year

**(ii) Shareholding of Promoters and Promoter Group**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Kartik Talwar	20,487	0.81	Nil	20,487	0.81	Nil	Nil
2	Mr. Karan Talwar	52,524	2.07	Nil	52,524	2.07	Nil	Nil
3	Tarun Talwar (HUF)	78,945	3.11	Nil	78,945	3.11	Nil	Nil
4	Rakesh Talwar (HUF)	1,36,207	5.37	Nil	1,36,207	5.37	Nil	Nil
5	Mrs. Naini Talwar	1,47,330	5.80	Nil	1,47,330	5.80	Nil	Nil
6	Mr. Rakesh Talwar	2,96,317	11.67	Nil	2,96,317	11.67	Nil	Nil
7	Mrs. Gita Talwar	5,08,877	20.05	Nil	5,15,877	20.32	Nil	0.27
8	Mr. Rajesh Talwar	5,95,249	23.45	Nil	5,95,249	23.45	Nil	Nil
	<b>Total</b>	<b>18,35,936</b>	<b>72.33</b>	<b>Nil</b>	<b>18,42,936</b>	<b>72.61</b>	<b>Nil</b>	<b>0.27</b>

**(v) Change in Promoters' Shareholding (Please specify, if there is no change)**

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>Mrs. Gita Talwar</b>				
	At the beginning of the year	5,08,877	20.05	5,08,877	20.05
	Date wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	7000 Shares purchased from a shareholder	0.00	5,15,877	20.32
	At the end of the year			5,15,877	20.32

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Sartaj Kumar Sahni	2,32,502	9.160	2,25,502	8.880
2	General Insurance Corporation of India	17,950	0.710	17,950	0.710
3	Mahendra Girdharilal	16,050	0.632	16,050	0.632
4	Tushar Kanti Chopra	14,400	0.567	14,400	0.570
5	Sunita Aggarwal	NIL	NIL	12,500	0.490
6	United India Insurance Company Limited	9,301	0.366	9,301	0.370
7	The Oriental Insurance Company Limited	7,168	0.282	7,168	0.280
8	Anil Soni	6,983	0.275	6,983	0.280
9	Shailender Soni	6,983	0.275	6,983	0.280
10	Naresh Soni	6,508	0.256	6,508	0.260

**(vii) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Mr. Tarun Talwar – Managing Director</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	Mr. Kartik Talwar –Director				
	At the beginning of the year	20,487	0.81	20,487	0.81
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	20,487	0.81
3	Mr. Sanjay Sharma –Executive Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
4	Mr. Vijay Kumar Sharma – Executive Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
5	Mr. Sunil Kumar Sharma – Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
6	Ms. Priyanka Khattar – Director				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

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

**V. INDEBTEDNESS**
**(₹ In Lakhs)**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	948.28	318.85	Nil	1,267.13
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.37	Nil	Nil	0.37
<b>Total (i+ii+iii)</b>	<b>948.65</b>	<b>318.85</b>	<b>Nil</b>	<b>1,267.50</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,003.27	Nil	Nil	1,003.27
• Reduction	Nil	(33.05)	Nil	(33.05)
<b>Net Change</b>	<b>1,003.27</b>	<b>(33.05)</b>	<b>Nil</b>	<b>970.22</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,950.03	285.80	Nil	2,235.83
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	1.89	Nil	Nil	1.89
<b>Total (i+ii+iii)</b>	<b>1,951.92</b>	<b>285.80</b>	<b>Nil</b>	<b>2,237.72</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Tarun Talwar - MD	Mr. Sanjay Sharma - ED	Mr. Vijay Kumar Sharma - ED	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.96	9.26	9.18	70.40
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.60	Nil	Nil	0.60
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- As % of profit	Nil	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil	Nil
5.	Others:				
	i) Medical Reimbursement	Nil	0.24	0.24	0.48
	ii) Leave Travel Allowance	Nil	0.24	0.24	0.48
	<b>Total (A)</b>	<b>52.56</b>	<b>9.74</b>	<b>9.66</b>	<b>71.96*</b>
	<b>Ceiling as per the Act</b>				<b>71.04</b>

\* This amount includes an amount of ₹ 0.96 Lacs paid as Medical Reimbursement and Leave Travel Allowance to Directors, which shall not be considered as part of their remuneration. Therefore, the net remuneration paid to Directors stands at ₹ 71.00 Lacs which is under the ceiling limit computed as per the provisions of Companies Act, 2013.

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Sunil Kumar	Ms. Priyanka Khattar	
1.	<b>Independent Directors</b>			
	• Fees for attending board/ committee meetings	5,000	5,000	10,000
	• Commission	Nil	Nil	
	• Others, please specify	Nil	Nil	
	<b>Total (1)</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>
2.	<b>Other Non-Executive Directors</b>			
	• Fees for attending board/ committee meetings	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1+2)</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>
	<b>Total Managerial Remuneration</b>			<b>10,000</b>
	<b>Overall Ceiling as per the Act</b>			<b>78.14 Lacs</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	5.05	3.18	8.23
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	N.A.	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	N.A.	Nil	Nil	Nil
2.	Stock Option	N.A.	Nil	Nil	Nil
3.	Sweat Equity	N.A.	Nil	Nil	Nil
4.	Commission	N.A.			
	- As % of profit		Nil	Nil	Nil
	- Others, specify		Nil	Nil	Nil
5.	Others:				
	i) Medical Reimbursement	N.A.	0.15	0.05	0.20
	ii) Leave Travel Allowance	N.A.	0.15	0.05	0.20
	<b>Total</b>	<b>N.A.</b>	<b>5.35</b>	<b>3.28</b>	<b>8.63</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

**For and on behalf of the Board**

 Place: Faridabad  
 Date :05 August, 2016

 Sd/-  
**Sanjay Sharma**  
 Chairman



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31<sup>st</sup> March, 2016

**(A) INDUSTRY STRUCTURE AND DEVELOPMENT**

Talbro's Engineering is engaged in manufacturing of Rear Axle Shafts for the leading automobile companies in India and foreign markets. The Company's goal is to be a leader in supply of automotive rear axle shafts in the Indian & Overseas market to benefit from the growth and to profit from the opportunities that exist in this sector. The Company has acquired lands in order to enhance its production capability to cater the needs of its customers.

**(B) OPPORTUNITIES AND THREATS**

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

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

**(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

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

**(D) OUTLOOK**

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

**(E) RISKS AND CONCERNS**

The Company has its step wise risk management

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

**(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an adequate internal control procedures commensurate with the size and structure of the Company. The company has also engaged the services of independent Chartered Accountant to carry out the internal audit and to identify the proper and adequate internal control system and sufficient measures are taken to update the internal control system. The system also ensures that all transactions are appropriately authorised, recorded and reported.

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

Your Company has achieved a sales turnover of ₹ 15,407.52 Lacs in this financial year ended on 31<sup>st</sup> March, 2016 as against ₹ 13,829.10 Lacs in the previous financial year. Net profit after tax for this year stands at ₹ 336.55 Lacs as against ₹ 454.87 Lacs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31<sup>st</sup> March, 2016 is ₹ 2,140.49 Lacs as compared to ₹ 2,825.98 Lacs in the previous financial year.

Keeping in mind the expansion plans, the Board has not recommended any dividend for current fiscal year.

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

As on March 31, 2016, the Company had 217 number of permanent employees at its manufacturing plants and administrative office located at Faridabad and Hathin.

The company considers the employee values and ensures proper encouragement both morally and financially to motivate them. The relationship between the management and employees is remarkable.

**For and on behalf of the Board**

Place: Faridabad  
Date : 05 August, 2016

Sd/-  
**Sanjay Sharma**  
Chairman

## CORPORATE GOVERNANCE

### 1. PHILOSOPHY:

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

The Board of Directors of the Company is duly consisted comprising of Three Executive Directors, Two Non Executive Independent Directors and one Non Executive Non Independent Director as on 31<sup>st</sup> March, 2016.

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

### 2. BOARD OF DIRECTORS:

#### (a) Composition, Category of Directors and their directorship as on March 31, 2016

S. No.	Name of the Director	Category	No. of Directorships held in other Companies (Public & Pvt. Ltd. Companies)	No. of memberships held in Committees of other Companies
1	Mr. Tarun Talwar	Managing Director (Promoter and Executive)	Nil	Nil
2	Mr. Kartik Talwar*	Non Independent Director (Non Executive)	2 (Private Limited)	Nil
3	Mr. Sanjay Sharma	Director (Executive)	Nil	Nil
4	Mr. Vijay Kumar Sharma	Director (Executive)	Nil	Nil
5	Mr. Sunil Kumar	Director (Non Executive and Independent)	Nil	Nil
6	Ms. Priyanka Khattar	Director (Non Executive and Independent)	Nil	Nil

\*Mr. Kartik Talwar has resigned from the post of Director effective from 29<sup>th</sup> April, 2016. Mrs. Gita Talwar occupied the position of Mr. Kartik Talwar as Non Executive Non Independent Director with immediate effect.

Further, Mr. Nitin Agarwal and Mr. Kuldeep Singh Bhalla have been appointed as Independent Directors w.e.f. 29<sup>th</sup> April, 2016 in compliance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and rules made thereunder.

Afterwards, Mrs. Gita Talwar and Mr. Nitin Agarwal have given their resignations effective from 06<sup>th</sup> June, 2016 which have been accepted in Board meeting held on 07<sup>th</sup> June, 2016.

Mr. Tarun Talwar, Managing Director of the Company has been re-designated to Chief Executive Officer (CEO) of the Company w.e.f. 07<sup>th</sup> June, 2016.

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

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors							Attendance in Last AGM (12.08.2015)
		16.05.2015	27.06.2015	03.08.2015	17.09.2015	29.10.2015	04.01.2016	09.02.2016	
1	Mr. Tarun Talwar	No	Yes	Yes	Yes	Yes	Yes	No	No
2	Mr. Kartik Talwar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Sanjay Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Vijay Kr. Sharma	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
5	Mr. Sunil Kumar	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
6	Ms. Priyanka Khattar	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

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

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

### Independent Directors

Your Company has appointed Independent Directors who are renowned people having expertise / experience in their respective field / profession. None of the Independent Directors are promoters or related to promoters of the Company. They do not have any pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

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

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

### Performance Evaluation of Directors

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

performance evaluation are as follows:

#### *Role & Accountability*

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

#### *Objectivity*

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

#### *Leadership and Initiative*

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

#### *Personal Attributes*

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

## 3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:

### (A) AUDIT COMMITTEE:

#### (a) Terms of Reference:

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

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgement by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval of any subsequent modification of transactions of the company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

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

The Audit Committee has been constituted in a Board Meeting held on 07<sup>th</sup> August, 2014 in

compliance with the provisions of Section 177 of Companies Act, 2013 and rules made thereunder and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members				
			16.05.2015	27.06.2015	03.08.2015	29.10.2015	09.02.2016
1	Ms. Priyanka Khattar	Chairman	Yes	No	Yes	Yes	Yes
2	Mr. Tarun Talwar	Member	No	Yes	Yes	Yes	No
3	Mr. Sunil Kumar	Member	Yes	Yes	No	Yes	Yes

*The committee has been reconstituted w.e.f. 07<sup>th</sup> June, 2016 due to re-designation of Mr. Tarun Talwar. Mr. Sanjay Sharma, Executive Director has been appointed as new member of the Committee with immediate effect.*

**(B) NOMINATION AND REMUNERATION COMMITTEE:**

**(a) Terms of Reference:**

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

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- (ii) Formulation of criteria for evaluation of independent Directors and the Board;
- (iii) Devising a policy on Board diversity;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

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

One meeting of Nomination and Remuneration Committee has been held on 27<sup>th</sup> June, 2015 during the year ended on March 31, 2016.

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members
			27.06.2015
1	Mr. Kartik Talwar*	Chairman	Yes
2	Mr. Sunil Kumar	Member	Yes
3	Ms. Priyanka Khattar	Member	No

*\*Mr. Kartik Talwar has resigned from the post of Director of the Company and Mrs. Gita Talwar has been appointed as Chairman of the Committee w.e.f. 29<sup>th</sup> April, 2016.*

*Mrs. Gita Talwar has also resigned from the post of Director effective from 06<sup>th</sup> June, 2016 and Mr. Kuldeep Singh Bhalla has been appointed as Chairman of the Committee w.e.f. 07.06.2016*

**(c) Remuneration Policy:**

The Nomination and Remuneration Committee has formulated a policy which deals with the manner of selection of Board of Directors including Managing Director and payment of their remuneration. The criteria of selection and remuneration to be paid are as follows:

*Non Executive and Independent Director*

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

The independent Directors shall be selected and appointed after considering the independence as prescribed in the provisions of section 149(5) of Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement. The independent director should be a person of integrity and possesses relevant expertise and experience.

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

*Managing Director*

In case for the appointment as a Managing Director, the Nomination and Remuneration Committee shall identify the person of integrity who possess rich expertise, experience, knowledge, qualification and leadership qualities required for the position and shall take into

consideration, the recommendations, if any, received from the members of the Board. The candidate identified shall be recommended to the Board of Directors and is eligible for appointment only after the approval of members of the Company in general Meeting. The committee shall also ensure that the candidate identified shall fulfil all the conditions and criteria as envisaged in the relevant clauses and schedules of Companies Act, 2013 and rules made there under.

*Remuneration to Directors*

The independent Directors shall only be entitled to receive the remuneration by way of sitting fees and reimbursement of the actual expenses incurred by them for participation in Board Meetings. The said remuneration to be paid should be approved by the Board of Directors considering the overall ceiling limits prescribed under the Companies Act, 2013 and rules made there under.

The Managing Director shall be entitled to receive the remuneration as mutually agreed between the members of the Board of Directors and Managing Director, subject to the approval of members of the Company in General Meeting. The remuneration to be paid shall be within the overall limits as prescribed under the Companies Act, 2013 and rules made there under.

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

**(d) Details of Remuneration paid during the year 31<sup>st</sup> March, 2016:**

S. No.	Name of the Director	Designation	Remuneration Paid (Amount in ₹ Lakhs)
1	Mr. Tarun Talwar	Managing Director	52.56
2	Mr. Sanjay Sharma	Executive Director	9.26
3	Mr. Vijay Kumar Sharma	Executive Director	9.18

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

**(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

**(a) Composition of Stakeholders Relationship**

**Committee, Meetings held during the year and Attendance of Members:**

During the year, the nomenclature of Share Transfer Committee has been changed to Stakeholders Relationship Committee. The members of the said committee includes 2



Executive Directors and one Non Executive Director as Chairman of the Committee. The committee is looking after and reviewing the actions for redressal of shareholders and investors grievances. The Committee is also

responsible for transfer and transmission of shares as requested by the shareholders of the company from time to time.

During the year ended 31<sup>st</sup> March, 2016, the Stakeholders Relationship Committee met 36 times.

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year
1	Mr. Kartik Talwar	Chairman	34
2	Mr. Tarun Talwar	Member	33
3	Mr. Sanjay Sharma	Member	36

*The Committee has been reconstituted on 29<sup>th</sup> April, 2016 and 07<sup>th</sup> June, 2016. Mr. Kuldeep Singh Bhalla has been appointed as Chairman and Ms. Priyanka Khattar as new member effective from 07<sup>th</sup> June, 2016.*

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

During the year, the Company has received 8 complaints from shareholders and investors. All the complaints have been resolved on time to the satisfaction of the complainants.

## (D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

The Corporate Social Responsibility (CSR) Committee has been constituted pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The Committee has Two Executive Directors and One Non Executive and Independent Director as members. The Committee met 2 times during the financial year ended 31<sup>st</sup> March, 2016

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			16.05.2015	09.02.2016
1	Mr. Tarun Talwar	Chairman	No	No
2	Mr. Sanjay Sharma	Member	Yes	Yes
3	Mr. Sunil Kumar	Member	Yes	Yes

*The committee has been reconstituted on 07<sup>th</sup> June, 2016. Mr. Vijay Kumar Sharma has been appointed as new chairman of the committee with immediate effect.*

### (b) Terms of Reference:

The Committee is responsible for the following purposes:

- formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in the Companies Act, 2013, its rules and regulations thereof for the time being in force;
- recommendation on the amount of

expenditure to be incurred on the various CSR activities;

- monitoring of the CSR Policy of the company from time to time;
- such other acts and deeds in relation to CSR activities of the company, as it may deem fit or as may be assigned to it by the Board of Directors.

### (4) INDEPENDENT DIRECTORS MEETING:

During the year ended 31<sup>st</sup> March, 2016, the Independent Directors met on 09<sup>th</sup> February, 2016, inter alia to review and discuss:

- (i) the performance of Non Independent Directors and the Board of Directors as a whole;

- (ii) the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- (iii) to assess the quality, content and timelines of flow of information between the management and

the Board that is necessary for the Board to effectively and reasonably perform its duties.

There are 2 (Two) independent Directors in the Company and both are present in the meeting held on 09<sup>th</sup> February, 2016.

## (5) GENERAL BODY MEETINGS:

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

S. No.	Financial Year	Date	Time	Venue
1	2014-15	12.08.2015	11:00 a.m.	Hotel Millennium Plus, 67, Neelam Bata Road, Faridabad, Haryana – 121 001
2	2013-14	13.09.2014	11:30 a.m.	Hotel Millennium Plus, 67, Neelam Bata Road, Faridabad, Haryana – 121 001
3	2012-13	28.09.2014	11:30 a.m.	Hotel Milleneum Plus, 57, Neelam Bata Road, Faridabad, Haryana – 121 001

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

- (1) No Special Resolution has been passed at Annual General Meeting of the Company held on 28<sup>th</sup> September, 2013
- (2) At Annual General Meeting held on 13<sup>th</sup> September, 2014
  - a) Limits of borrowings under section 180(1)(c) of the Companies Act, 2013
  - b) Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013.
- (3) At Annual General Meeting held on 12<sup>th</sup> August, 2015
  - a) Re-appointment of Mr. Tarun Talwar as Managing Director for a period of 5 (Five) years commencing from 01.10.2015
  - b) Re-appointment of Mr. Sanjay Sharma as Executive Director for a period of 5 (Five) years commencing from 01.10.2015
  - c) Re-appointment of Mr. Vijay Kumar Sharma as Executive Director for a period of 5 (Five) years commencing from 01.10.2015

180(1)(a) of the Companies Act, 2013 related to providing security in connection with the borrowings. The details of postal ballot are as follows:

Date of Postal Ballot Notice: 27<sup>th</sup> June, 2015

Voting Period: 07<sup>th</sup> July, 2015 to 06<sup>th</sup> August, 2015

Date of declaration of result: 08<sup>th</sup> August, 2015

Date of Approval: 08<sup>th</sup> August, 2015

Total No. of Votes Polled: 20,73,354

No. of votes casted in favour & %: 20,73,354 (100%)

No. of votes casted against & %: Nil

M/s Sonal Agarwal & Associates, Company Secretaries were appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

#### Procedure for Postal Ballot:

In compliance with sections 108 and 110 and other applicable provisions of Companies Act, 2013, read with related rules, the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members as on cut off date. The postal ballot notice have been sent to members in electronic

### (c) Postal Ballot:

During the year ended March 31, 2016, the Company approached the shareholders for passing Special Resolution pursuant to section

form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights were reckoned on the paid up value of shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer submitted her report to the Chairman, after the completion of scrutiny and, and the consolidated results of the voting by postal ballot was announced by the Chairman. The results are also displayed on the Company website, [www.talbro'saxles.com](http://www.talbro'saxles.com), besides being communicated to the stock exchange and Registrar and Share Transfer Agent.

**(6) MEANS OF COMMUNICATION:**

Your Company has promptly reported all material information, including declaration of financial results, press releases, etc., to the Stock Exchanges where the securities of your Company are listed. Such information was, also, simultaneously displayed immediately on your Company's website i.e. [www.talbro'saxles.com](http://www.talbro'saxles.com). The quarterly and half-yearly

Financial Results of the Company during the year 2015-16 were published in leading newspapers (English & Hindi), viz., Financial Express, Media Darshan and Naya India.

The "Limited Review" Reports of the Financial Results for the quarters ended June 30, 2015, September 30, 2015 and December 31, 2015 were obtained from the Statutory Auditors of the Company and filed with the stock exchange(s).

To facilitate prompt correspondence with investors/ shareholders relating to their queries and grievances, the Company has a dedicated Email-id, viz., [cs@bnt-talbro's.com](mailto:cs@bnt-talbro's.com).

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

**(7) GENERAL SHAREHOLDER INFORMATION:**

**(a) Forthcoming AGM: Date, time and venue**

The 30<sup>th</sup> Annual General Meeting of the Company will be held on Friday, 30<sup>th</sup> September, 2015 at 10:00 a.m. at Hotel Millenium Plus, 67, Neelam Bata Road, N.I.T., Faridabad, Haryana – 121 001

**(b) Financial Year**

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

**Financial Calendar (Tentative)**

For 1 <sup>st</sup> quarter ending 30 <sup>th</sup> June, 2016	First week of August, 2016
For 2 <sup>nd</sup> Quarter / half year ending 30 <sup>th</sup> September, 2016	First week of November, 2016
For 3 <sup>rd</sup> Quarter / nine months ending 31 <sup>st</sup> December, 2016	First week of February, 2017
For 4 <sup>th</sup> Quarter / Year ending 31 <sup>st</sup> March, 2017	Last week of May, 2017
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2017	Last week of September, 2017

**(c) Date of Book Closure**

The register of members and share transfer books of the Company shall remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive) for annual closing.

**(d) Dividend Payment Date**

The Board of Directors has not declared any

dividend for Financial Year 2015-16.

**(e) Listing on Stock Exchanges**

The Company's equity shares are actively traded on following stock exchanges w.e.f. 04<sup>th</sup> March, 2015:

1. Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual listing fees for fiscal 2016-17 has been paid to the above stock exchange.

**(f) Stock Code**

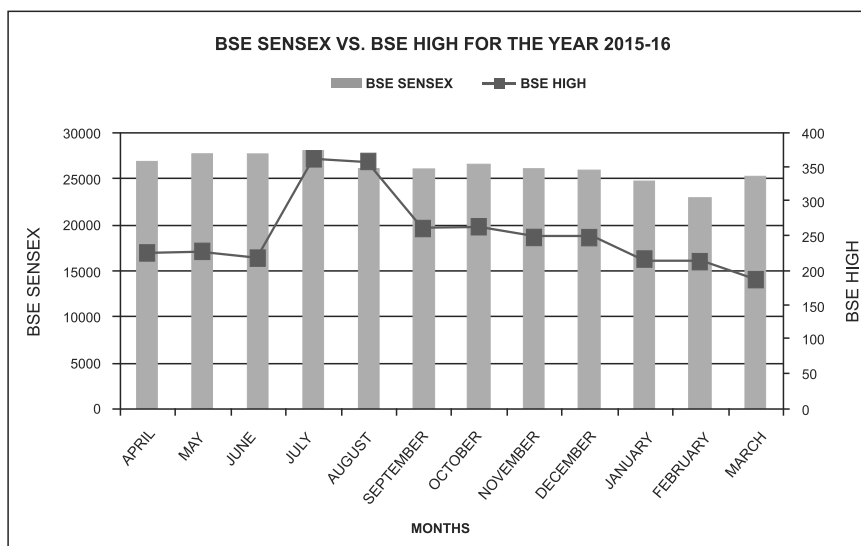
The Stock codes allotted to the Company are as follows:

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

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

The Company's equity shares are listed and are available for trading on Bombay Stock Exchange Limited (BSE) w.e.f. 04<sup>th</sup> March, 2015. The High/ Low of Market Price of Company's equity shares traded on Bombay Stock Exchange Limited (BSE) during the month of March, 2015 was as follows:

Month(s)2014-15	BSE		Month End BSE Sensex
	High	Low	
April	226.95	76.50	27,011.30
May	229.00	158.10	27,828.44
June	219.90	172.20	27,780.83
July	363.00	177.80	28,114.56
August	358.90	241.10	26,283.09
September	262.50	205.10	26,154.83
October	264.00	221.30	26,656.83
November	250.00	191.70	26,145.67
December	249.90	176.00	26,117.54
January	218.00	155.00	24,870.69
February	215.00	156.30	23,002.00
March	189.10	151.20	25,341.86



**(h) Registrar and Transfer Agents**

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

**(i) Share Transfer System**

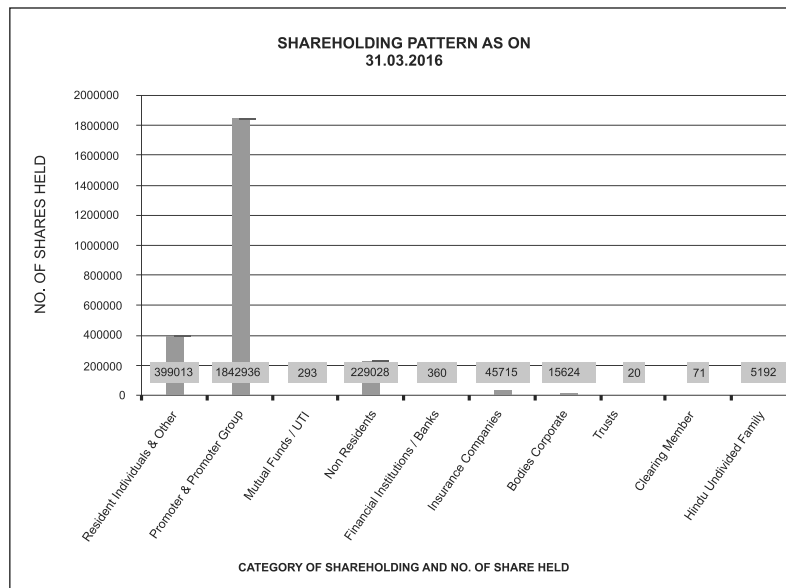
All physical share transfers are effected within 15 days of lodgement, subject to the documents being in order and complete in all respects. The

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

**(j) Distribution of Shareholding**

(a) *On the basis of Category*

S. No.	Category of Shareholding	Number of shareholders	No. of shares held	% of shareholding
1	Resident Individuals & Other	5,688	3,99,013	15.72
2	Promoters	8	18,42,936	72.61
3	Mutual Funds / UTI	1	293	0.01
4	Non Residents	22	2,29,028	9.02
5	Financial Institutions / Banks	3	360	0.01
6	Insurance Companies	5	45,715	1.80
7	Bodies Corporate	84	15,624	0.62
8	Trusts	1	20	0.00
9	Clearing Member	2	71	0.00
10	Hindu Undivided Family	54	5,192	0.20
	<b>TOTAL</b>	<b>5,868</b>	<b>25,38,252</b>	<b>100.00</b>



**(b) On the basis of Shares held**

Size of Holdings	No. of Share holders	Percentage(%) to Total	No. of shares held	Percentage(%) to Total
Upto 5000	5,846	99.63	3,48,484	13.73
5001 to 10000	9	0.15	60,430	2.38
10001 to 20000	4	0.07	60,900	2.40
20001 to 30000	1	0.02	20,487	0.81
30001 to 40000	0	0.00	0	0.00
40001 to 50000	0	0.00	0	0.00
50001 to 100000	2	0.03	1,31,469	5.18
100001 and Above	6	0.10	19,16,482	75.50
<b>TOTAL</b>	<b>5,868</b>	<b>100.00</b>	<b>25,38,252</b>	<b>100.00</b>

**(c) On the basis of ownership**

S. No.	Category of Shareholder	Number of Shareholders	Total number of shares	% of holding
<b>(A)</b>	<b>Promoters</b>			
1.	<i>Indian Individuals</i>			
(a)	Promoters	8	18,42,936	72.61
<b>(B)</b>	<b>Public Shareholding</b>			
1.	<i>Institutions</i>			
(a)	Mutual Funds / UTI	1	293	0.01
(b)	Financial Institutions / Banks	3	360	0.01
(c)	Insurance Companies	5	45,715	1.80
2.	<i>Non-institutions</i>			
(a)	Bodies Corporate	84	15,624	0.62
(b)	Individuals	5,688	3,99,013	15.72
(c)	Trusts	1	20	0.00
(d)	Clearing Member	2	71	0.00
(d)	Non Resident Indians	22	2,29,028	9.02
(e)	Hindu Undivided Family	54	5,192	0.20
	<b>TOTAL</b>	<b>5,868</b>	<b>25,38,252</b>	<b>100.00</b>

**(k) Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2016, 94.58% of the total shareholding was held in dematerialized form as per details mentioned below:

Particulars	No. of holders	No. of Shares	% of Total Issued Capital
Physical System	3,366	1,37,461	5.42
NSDL	1,902	22,09,074	87.03
CDSL	600	1,91,717	7.55
<b>Total</b>	<b>5,868</b>	<b>25,38,252</b>	<b>100.00</b>

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



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

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

**(m) Plant Locations**

*(a) Registered and Corporate Office:*

Plot No. 74-75, Sector 6,  
Faridabad, Haryana – 121 006  
Phone: +91-129-4284300  
Fax No.: +91-129-4061541  
Email ID: [cs@bnt-talbro's.com](mailto:cs@bnt-talbro's.com)

*(b) Unit Locations:*

- (i) Plot No. 76, Sector 6, Faridabad, Haryana – 121 006
- (ii) Plot No. 35,36,37,38 & 57, Industrial Area, Hathin, Distt. Palwal, Haryana
- (iii) Plot No. 77, Sector 68, Faridabad, Haryana

**(n) Address for Correspondence**

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

**DECLARATION**

As provided under clause 49 of the Listing Agreement and SEBI (Listing Regulations), 2015, I hereby declare that all the Board of Directors and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2016.

**For and on behalf of the Board**

Date : 05 August, 2016  
Place: Faridabad

Sd/-  
**Sanjay Sharma**  
Chairman

## CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY ON CORPORATE GOVERNANCE

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

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

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

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

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

Sd/-  
**Tarun Talwar**  
Chief Executive Officer  
Place: Faridabad  
Date : 05 August, 2016

Sd/-  
**Kanwar Pal Pawar**  
Chief Financial Officer

## AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Talbro's Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Talbro's Engineering Limited ("the Company") for the year ended March 31, 2016 stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with Stock Exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit

nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations give to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in above mentioned Listing Agreement / Listing Regulations, as applicable.

**For Rakesh Raj & Associates**  
Chartered Accountants  
Firm Regn. No.: 005145N

Sd/-  
**Ruchi Jain**  
Partner  
M. No. 099920

Place: Faridabad  
Date : 05 August, 2016

## 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 2016, 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 Board of Directors is responsible for the preparation of these financial statements stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to 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 principles generally accepted in India, including the accounting standards referred to in section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records relevant to the preparation and presentation of the 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 have taken into account the provisions of the act, the accounting and auditing standards and matter which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### 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 March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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

- c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified in section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014;
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the auditors' report in accordance with rule 11 of The Companies (audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanation given to us:
- i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) The company is not required to transfer any amount to the Investor Education and Protection Fund.

For **RAKESH RAJ & ASSOCIATES**

Chartered Accountants  
Firm Regn No.005145N

Sd/-  
**Ruchi Jain**

Partner

Place: Faridabad

Date : 18.05.2016

Membership No. 099920

## ANNEXURE TO THE AUDITORS' REPORT

### ANNEXURE 'A'

(As referred in paragraph 1 of Report on other legal and regulatory requirements of our report to the members of TALBROS ENGINEERING LIMITED on the accounts for the year ended 31<sup>st</sup> March 2016)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been regularly verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification during the year.
- c) Based on the audit procedures performed and according to the records of the company, title deeds of the immovable properties are held with the company.
  - ii) As explained to us, the inventory has been regularly verified during the year and the frequency of such verification is reasonable. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
  - iii) As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly sub-clauses (a), (b) and (c) of para (iii) of the Order are not applicable to the Company.
  - iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of act, in respect of loans, investments, guarantees, and security to the extent applicable to it.
  - v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
  - vi) To the best of our knowledge and as explained, the company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act 2013. Accordingly, Para (vi) of the order is not applicable to the Company.
  - vii) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty and Cess and any other material statutory dues applicable to it though there has been a slight delay in few cases. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31<sup>st</sup> March

2016 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans to the bank. The company did not have any outstanding dues / loans in respect of financial institution, government or debentures during the year.
- ix) We have verified that the end use of money raised by the public issue is as disclosed in the notes to the financial statements. The company did not have any terms loans outstanding during the year.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
- xi) In our opinion, the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V to the act.
- xii) In our opinion the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 3(xii) of the order are not applicable to the company.
- xiii) In our opinion, all the transactions with the related parties are in compliance with section 177 and 188 of act, where applicable, and the details have been disclosed in the financial statement as required by applicable accounting standard.
- xiv) The company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- xv) According to the information and explanation given to us and on an overall examination of the financial statements of the company, we report that the company has not entered into any cash transactions with directors or persons connected with him.
- xvi) In our opinion the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-  
**Ruchi Jain**  
Partner

Place: Faridabad  
Date : 18.05.2016

Membership No. 099920

## Annexure 'B'

Annexure to the independent auditor's report of even date on the Standalone financial Statements of Talbro's Engineering Limited

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

We have audited the internal financial controls over financial reporting of M/s Talbro's Engineering Limited ("the company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### Management's responsibility for internal financial controls

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

### Auditors Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

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

## Meaning of internal financial controls over financial reporting

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

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

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

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

## Inherent limitation of internal financial controls over financial reporting

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

## Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls over financial reporting and such of the internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance Note on Audit of the internal financial controls over financial reporting issued by the Institute of Chartered Accountant of India.

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

Sd/-  
**Ruchi Jain**  
Partner

Place : Faridabad  
Date : 18.05.2016

Membership No. 099920



# TALBROS ENGINEERING LIMITED



## BALANCE SHEET AS AT 31ST MARCH, 2016

(All Amount in ₹, unless otherwise stated)

	Notes	As at 31st March, 2016		As at 31st March, 2015	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES:</b>					
<b>Shareholders' Funds</b>					
Equity Share Capital	3	25,382,520		25,382,520	
Reserves and Surplus	4	333,806,528	359,189,048	300,181,441	325,563,961
<b>Non-Current Liabilities</b>					
Long Term Borrowings	5	52,128,682		44,088,625	
Deferred Tax Liabilities (Net)	6	15,248,917		16,827,942	
Long Term Provisions	7	2,451,701	69,829,300	2,162,164	63,078,731
<b>Current Liabilities</b>					
Short Term Borrowings	8	158,151,368		67,741,774	
Trade Payables	9	87,379,015		87,926,251	
Other Current Liabilities	10	63,436,521		66,639,808	
Short Term Provisions	11	22,935,625	331,902,529	44,480,700	266,788,533
<b>TOTAL</b>			<b>760,920,877</b>		<b>655,431,225</b>
<b>ASSETS:</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	12.1	212,349,007		213,466,502	
Intangible Assets	12.2	653,472			
Capital Work in Progress	12.3	50,537,750		24,294,640	
Non Current Investments	13	860,000		860,000	
Long-Term Loans and Advances	14	93,875,302	358,275,531	47,210,070	285,831,212
<b>Current Assets</b>					
Inventories	15	155,258,150		127,193,112	
Trade Receivables	16	166,608,821		152,125,018	
Cash and Bank Balances	17	7,734,815		10,776,012	
Short Term Loans and Advances	18	72,525,136		77,422,112	
Other Current Assets	19	518,424	402,645,346	2,083,759	369,600,013
<b>TOTAL</b>			<b>760,920,877</b>		<b>655,431,225</b>

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  
Firm Regn. No. 005145N

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  
DIN : 02276634

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN : 06394774

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

Sd/-  
**Kanwar Pal Pawar**  
Chief Financial Officer

Place : Faridabad  
Date : 18.05.2016

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(All Amount in ₹, unless otherwise stated)

	Notes	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
		₹	₹	₹	₹
<b>INCOME</b>					
Revenue From Operations (Gross)	20	1,540,751,728		1,382,910,005	
Less: Excise Duty		<u>147,678,195</u>	<u>1,393,073,533</u>	<u>120,916,431</u>	<u>1,261,993,574</u>
Other Income	21		<u>20,602,779</u>		<u>26,038,427</u>
<b>Total Revenue</b>			<u><u>1,413,676,312</u></u>		<u><u>1,288,032,001</u></u>
<b>EXPENSES</b>					
Cost of Raw Material Consumed	22		<u>690,141,150</u>		<u>626,377,009</u>
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	23		<u>(25,911,429)</u>		<u>(15,252,800)</u>
Employee Benefits Expenses	24		<u>125,818,277</u>		<u>108,218,385</u>
Finance Costs	25		<u>29,074,573</u>		<u>24,532,734</u>
Depreciation and Amortization Expense	26		<u>35,429,801</u>		<u>35,890,255</u>
Other Expenses	27		<u>507,048,029</u>		<u>442,271,472</u>
<b>Total Expenses</b>			<u><u>1,361,600,401</u></u>		<u><u>1,222,037,056</u></u>
<b>Profit before tax</b>			<u><u>52,075,911</u></u>		<u><u>65,994,945</u></u>
<b>Tax Expenses:</b>					
Current Tax		<u>20,000,000</u>		<u>24,460,000</u>	
Deferred Tax		<u>(1,579,025)</u>		<u>(4,285,581)</u>	
Wealth Tax		-		<u>46,696</u>	
Taxes For Earlier Years		-	<u>18,420,975</u>	<u>286,404</u>	<u>20,507,519</u>
<b>Profit for the Year</b>			<u><u>33,654,936</u></u>		<u><u>45,487,426</u></u>
<b>Earnings per Equity Share (Face Value of ₹ 10/-)</b>					
Basic and Diluted Restated Earnings Per Share			<u>13.26</u>		<u>17.92</u>

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  
Firm Regn. No. 005145N

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  
DIN : 02276634

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN : 06394774

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

Sd/-  
**Kanwar Pal Pawar**  
Chief Financial Officer

Place : Faridabad  
Date : 18.05.2016



**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2016**

(All Amount in ₹, unless otherwise stated)

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>Net Profit before taxation, and extraordinary item</b>	<b>52,075,911</b>	<b>65,994,945</b>
<b>Adjustment for:</b>		
Depreciation	35,429,801	35,890,255
Preliminary Expenses W/off	-	-
Interest Paid	29,074,573	24,532,734
Loss/(Profit) on Sale of Fixed Assets	170,509	61,795
Interest Received	(127,449)	(1,027,782)
<b>Operating Profit before Working Capital Changes</b>	<b>116,623,345</b>	<b>125,451,947</b>
<b>Adjustments for:-</b>		
Trade and Other Receivables	(14,483,803)	583,177
Inventories	(28,065,038)	(2,845,114)
Other Current Assets	6,462,311	(4,452,888)
Trade Payables	(547,236)	20,655,527
Other Current Liabilities	45,661,232	(101,209,650)
Increase in Deferred Tax Liability	-	-
<b>CASH GENERATED FROM OPERATIONS:</b>	<b>125,650,811</b>	<b>38,182,999</b>
Interest paid	(29,074,573)	(24,532,734)
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)</b>	<b>96,576,238</b>	<b>13,650,265</b>
Interest Received	127,449	1,027,782
Purchase of Fixed Assets	(62,355,513)	(50,942,141)
Transfer to accumulated Depreciation		
Sale of Fixed Assets	946,267	389,113
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)</b>	<b>61,281,797</b>	<b>(49,525,246)</b>
Proceeds from /(Repayment) of long Term Borrowings	8,329,594	3,077,523
Proceeds from Share Capital	-	-
Proceeds from Security Premium	-	-
Proceeds from /(Repayment) of long Term Loans & Advances	(46,665,232)	(16,435,766)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>38,335,638</b>	<b>(13,358,243)</b>
<b>INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)</b>	<b>(3,041,197)</b>	<b>(49,233,224)</b>
Cash/Cash Equivalents as at 1st April (Opening Balance)	10,776,012	60,009,236
Cash/Cash Equivalents as at 31st March (Closing Balance)	7,734,815	10,776,012

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

Sd/-  
**Ruchi Jain**  
Partner  
Membership No: 99920

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

Sd/-  
**Tarun Talwar**  
Managing Director  
DIN : 02276634

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN : 06394774

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

Sd/-  
**Kanwar Pal Pawar**  
Chief Financial Officer

Place : Faridabad  
Date : 18.05.2016

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 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.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS FOR ACCOUNTING

The financial statements are prepared under historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 2013 and in compliance with the applicable Accounting Standards (AS) referred to in section 133 of Companies Act 2013. The accounting policies, except otherwise stated, have been consistently applied by the Company.

#### 2.2 USE OF ESTIMATES

The preparation of financial statements is in conformity with the generally accepted accounting principles, which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

#### 2.3 REVENUE RECOGNITION

- a) The company recognises revenues on the sale of products, net of discounts and sales incentives, at the time of dispatch, which is when risks and rewards of ownership pass to the customer. Sale of product is presented gross of excise duty where applicable, and net of other indirect taxes.
- 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 income is recognised on accrual basis determined by the amount outstanding and the rate applicable and when there is no significant uncertainty as to measurability or collectability exists

#### 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. Costs of inventories are determined on First in First out ('FIFO') basis in the ordinary course of business.
- b) Work-in-Progress and Finished Goods are valued at cost. Cost includes variable and fixed overheads allocated to work in progress and finished goods.

#### 2.5 TANGIBLE ASSETS

##### Fixed Assets

Fixed assets are stated at cost of acquisition or construction and amount added on revaluation less accumulated depreciation, amortisation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred upto the date the asset is ready for its intended use. 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 and interest on borrowings to the extent attributed to them.

#### 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, whenever acquired.

## 2.7 DEPRECIATION ON FIXED ASSETS

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

## 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) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c) Any income or expense on account of exchange difference either on settlement or on restatement is recognized and reflected separately in the profit & loss accounts.

## 2.11 INVESTMENTS

Current investments are stated at lower of cost and fair market value. Long-term investments are valued at their acquisition cost. The provision for any diminution in the value of long-term investments is made only if such a decline is other than temporary.

## 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.

### a) Gratuity

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

### b) Leave encashment

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

## 2.13 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of Assets. Qualifying Asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are treated as period cost and charged to the profit and loss account in the year in which it was incurred.

## 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

- a) Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.
- b) Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement under Loans & Advances. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.
- c) Deferred Tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses, which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 2.17 IMPAIRMENT OF ASSETS

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

## 2.18 SHARE ISSUE EXPENSES

Share issue expenses are adjusted from Securities Premium Account at the time of issue of respective shares as prescribed under the provisions of 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, 2016 ₹	As at 31st March, 2015 ₹
<b>3. EQUITY SHARE CAPITAL</b>		
<b>3.1 AUTHORISED SHARE CAPITAL</b>		
30,00,000 Equity Shares of ₹ 10/- each	<b>30,000,000</b>	30,000,000
<b>3.2 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL</b>		
25,38,252 (P.Y.25,38,252) Equity Shares of ₹ 10/- each fully paid up	<b>25,382,520</b>	25,382,520
<b>Total Issued, Subscribed and fully paid up capital</b>	<b>25,382,520</b>	25,382,520
<b>3.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD</b>	<b>No. of Shares as at 31st March, 2016</b>	<b>No. of Shares as at 31st March, 2015</b>
<b>Equity shares</b>		
At the beginning of the year	<b>2,538,252</b>	2,538,252
Add: Right Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Shares forfeited, etc	-	-
<b>Outstanding at the end of the year</b>	<b>2,538,252</b>	2,538,252

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**
**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 2016, the amount of dividend per share recognised as distribution to equity holders was INR NIL (P.Y. INR 6.00). The total dividend appropriation for the year ended 31st March 2016 amounts to INR NIL (P.Y. INR 1,52,29,512/- ) excluding Dividend Distribution Tax of INR NIL (P.Y. INR 31,86,750/- )

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

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	%	No. of Shares	%
Rajesh Talwar	595,249	23.45	595,249	23.45
Gita Talwar	515,877	20.32	508,877	20.05
Rakesh Talwar	296,317	11.67	296,317	11.67
Naini Talwar	147,330	5.80	147,330	5.80
Sartaj K Sahni	232,502	9.16	232,502	9.16
Rakesh Talwar (HUF)	136,207	5.37	136,207	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

	As at 31st March, 2016		As at 31st March, 2015	
	₹		₹	
<b>4. RESERVES AND SURPLUS</b>				
<b>4.1 CAPITAL RESERVE</b>				
As per last balance sheet	17,487,403		17487403	
Add/less: adjustment during the year	-		-	
<b>Closing balance</b>	<b>17487403</b>		<b>17487403</b>	
<b>4.2 SECURITIES PREMIUM ACCOUNT</b>				
As per last balance sheet	43,319,713	-	43,319,713	-
Add: Security premium raised during the year	-		-	
Less: Right Issue expenses W/o	-		-	
<b>Closing balance</b>	<b>43,319,713</b>		<b>43,319,713</b>	
<b>4.3 REVALUATION RESERVE</b>				
Revaluation Reserve	999,813		1,029,662	
Less: Transferred to Profit & Loss A/c	(29,849)		(29,849)	
<b>Closing balance</b>	<b>969,964</b>		<b>999,813</b>	
<b>4.4 GENERAL RESERVE</b>				
As per last balance sheet	27,324,826		25,260,000	
Add/less: adjustment during the year	3,400,000		4,500,000	
Less: Transferred to accumulated depreciation	-		2,435,173	
<b>Closing balance</b>	<b>30,724,826</b>		<b>27,324,827</b>	
<b>4.5 OTHER RESERVES : CAPITAL SUBSIDY</b>				
As per last balance sheet	7,629,905		7,629,905	
Add/less: adjustment during the year	-		-	
<b>Closing balance</b>	<b>7,629,905</b>		<b>7,629,905</b>	

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
<b>4.6 SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS</b>		
As per last balance sheet	203,419,781	180,848,616
Profit for the year	33,654,936	45,487,426
Less: Appropriations		
Transfer to General reserve	3,400,000	4,500,000
Dividend proposed on equity shares	-	15,229,512
Dividend distribution tax on proposed dividend	-	3,186,750
<b>Closing balance</b>	<b>233,674,717</b>	<b>203,419,780</b>
<b>TOTAL</b>	<b>333,806,528</b>	<b>300,181,441</b>
<b>5 LONG TERM BORROWINGS</b>		
<b>SECURED BORROWINGS</b>		
Term loans		
From banks	23,176,203	11,108,195
From others	372,479	1,095,430
<b>Total secured long term borrowings (I)</b>	<b>23,548,682</b>	<b>12,203,625</b>
<b>UNSECURED BORROWINGS</b>		
Deposits	-	-
Loans and advances from related parties	28,580,000	31,885,000
<b>Total unsecured long term borrowings (II)</b>	<b>28,580,000</b>	<b>31,885,000</b>
<b>Total Long Term Borrowings (I+II)</b>	<b>52,128,682</b>	<b>44,088,625</b>

**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 31 st March, 2016	As at 31 st March, 2015
		₹	₹
<b>1 TERM LOANS FROM BANKS</b>			
Term Loans from IndusInd Bank Limited are secured by First parri-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and further secured by hypothecation of current assets both present and future. The Term Loans are further secured by personal guarantees of President and Managing Director of the company. The rate of Interest is at the rate of 12.00% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	ClosingBalance <b>INR 0</b>  CurrentMaturity <b>INR 0</b>  Non-Current Maturity <b>INR 0</b>	Closing Balance INR 20,925,000  Current Maturity INR 11,925,000  Non-Current Maturity INR 9,000,000

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars of loan /security/ guarantee	Terms of Repayment	As at 31 st March, 2016	As at 31 st March, 2015
		₹	₹
2 Term Loans from HDFC Bank Limited are secured by First parri-passu charge by way of hypothecation of the Company's assets, both present and future, and further secured by equitable mortgage on Plot no. 74-75, Sector-6, Faridabad, Plot No. 35-38, Hathin and Plot No. 77, Sector -68, Faridabad. The Term Loans are further secured by personal guarantees of President and Managing Director of the company. The rate of Interest is at the rate of 10.30% p.a.	Monthly payment of equated quarterly Installments beginning from the month of disbursement.	Closing Balance <b>INR 20,697,153</b>	Closing Balance INR 0
		Current Maturity <b>INR 3,638,016</b>	Current Maturity INR 0
		Non-Current Maturity <b>INR 17,059,137</b>	Non-Current Maturity INR 0
3 Term Loans from DBS Bank Ltd are secured by First parri-passu charge on all present and future moveable and immovable fixed assets of the company viz. Plot no. 74-75, Faridabad and Plot no. 35-38, Hathin Palwal, and further secured by hypothecation of current assets both present and future. The Term Loans are further secured by personal guarantees of President and Managing Director of the company. The rate of Interest is at the rate of 10.25% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	Closing Balance <b>INR 9,000,000</b>	Closing Balance INR 0
		Current Maturity <b>INR 6,000,000</b>	Current Maturity INR 0
		Non-Current Maturity <b>INR 3,000,000</b>	Non-Current Maturity INR 0
4 <b>VEHICLE LOANS FROM BANKS</b> 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 <b>INR 6,060,437</b>	Closing Balance INR 3,815,636
		Current Maturity <b>INR 2,943,371</b>	Current Maturity INR 1,707,441
		Non-Current Maturity <b>INR 3,117,066</b>	Non-Current Maturity INR 2,108,195
5 <b>VEHICLE LOANS FROM NBFC'S</b> 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 <b>INR 1,095,430</b>	Closing Balance INR 2,345,181
		Current Maturity <b>INR 722,951</b>	Current Maturity INR 1,249,751
		Non-Current Maturity <b>INR 372,479</b>	Non-Current Maturity INR 1,095,430
		<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
		<b>₹</b>	<b>₹</b>
<b>6. DEFERRED TAX LIABILITY AS PER AS-22</b>			
Fixed Assets		16,251,828	17,703,291
Disallowance u/s 43 B		<u>(1,002,911)</u>	<u>(875,349)</u>
<b>Deferred Tax Liability (Net)</b>		<u><u>15,248,917</u></u>	<u><u>16,827,942</u></u>
<b>7 LONG TERM PROVISION</b>			
Annual Leave Payable		<u>2,451,701</u>	<u>2,162,164</u>
<b>Total Long Term Provision</b>		<u><u>2,451,701</u></u>	<u><u>2,162,164</u></u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 8. SHORT TERM BORROWINGS

#### SECURED

Working Capital Loans From Banks \*

IndusInd Bank Ltd	47,824,384	67,741,774
HDFC Bank Ltd	60,154,040	-
DBS Bank Ltd	50,172,944	-
<b>Total Short Term Borrowings</b>	<b>158,151,368</b>	<b>67,741,774</b>

\*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 of working capital from banks are further secured by personal guarantees of President and Managing Director of the company.

### 9. TRADE PAYABLES

Dues to MSME *	-	-
Dues of other than MSME	87,379,015	87,926,251
<b>Total Trade Payables</b>	<b>87,379,015</b>	<b>87,926,251</b>

\* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further no interest has been paid during the year and payable as on 31st March 2016 as well as 31st March 2015 to such parties.

### 10. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt	13,304,337	14,882,192
Interest accrued and due on Borrowings	-	-
Interest accrued but not due on borrowings	188,694	36,750
Advance from Customers	278,390	2,399,718
Creditors for Expenses	26,572,499	28,328,522
Creditors for Capital Expenditure	362,290	638,262
Unpaid Dividends	949,040	564,117
Other Liabilities:-		
Accrued Salary & Benefits	1,090,889	3,545,603
Statutory Dues payable	1,843,212	1,478,674
TDS payable	1,207,576	1,446,180
Security Job Contractors	2,961,121	2,951,121
Other payables	14,678,473	10,368,669
<b>Total Current Liabilities</b>	<b>63,436,521</b>	<b>66,639,808</b>

### 11. SHORT TERM PROVISIONS

Provision for Income Tax	20,000,000	24,460,000
Proposed Equity Dividend	-	15,229,512
Provision for Wealth Tax	-	46,696
Provision for Tax on Proposed Equity Dividend	-	3,186,750
Provision for Employee Benefits	2,935,625	1,557,742
<b>Total Short Term Provisions</b>	<b>22,935,625</b>	<b>44,480,700</b>

### 12. FIXED ASSETS

Tangible assets	212,349,007	213,466,502
Intangible assets	653,472	-
Capital work in progress	50,537,750	24,294,640
<b>Total Fixed Assets</b>	<b>263,540,229</b>	<b>237,761,142</b>



**12. FIXED ASSETS AS ON 31.03.2016**  
**12.1 TANGIBLE ASSETS**

NAME OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK					
	As At 01-04-2015 ₹	Additions during the year ₹	Sale/Adjustment during the year ₹	As At 31.03.2016 ₹	Upto 01.04.2015 ₹	For the period ended as on 31.03.2016 ₹	Adjustment during the year ₹	Total upto 31.03.2016 ₹	As At 31.03.2016 ₹	As At 31.03.2015 ₹
LAND	5,635,342	-	-	5,635,342	-	-	-	-	5,635,342	5,635,342
BUILDING	22,946,582	67,878	-	23,014,460	8,464,692	700,012	-	9,164,704	13,849,756	14,481,890
PLANT & MACHINERY	389,804,848	27,652,976	498,107	416,959,717	215,742,433	29,928,543	414,071	245,256,905	171,702,812	174,062,415
VEHICLES	23,694,329	6,635,559	3,790,598	26,539,290	9,574,550	3,317,033	2,757,858	10,133,725	16,405,565	14,119,779
FURNITURE & FIXTURES	3,766,805	46,299	-	3,813,104	2,250,297	326,339	-	2,576,636	1,236,468	1,516,508
OFFICE EQUIPMENT	7,670,005	276,080	-	7,946,085	5,789,777	614,234	-	6,404,011	1,542,074	1,880,228
ELECTRIC INSTALLATION	5,772,672	609,332	-	6,382,004	4,529,557	296,909	-	4,826,466	1,555,538	1,243,115
TUBEWELL	351,708	-	-	351,708	265,535	15,242	-	280,777	70,931	86,173
COMPUTER	3,903,381	138,125	-	4,041,506	3,462,329	228,656	-	3,690,985	350,521	441,052
INTANGIBLE ASSETS	-	686,154	-	686,154	-	32,682	-	32,682	653,472	-
<b>TOTAL</b>	<b>463,545,672</b>	<b>36,112,403</b>	<b>4,288,705</b>	<b>495,369,370</b>	<b>250,079,170</b>	<b>35,459,650</b>	<b>3,171,929</b>	<b>282,366,891</b>	<b>213,002,479</b>	<b>213,466,502</b>
PREVIOUS YEAR	436,898,863	28,671,629	2,024,820	463,545,672	213,297,805	38,355,277	1,573,912	250,079,170	213,466,502	-

**12.2 : CAPITAL WORK IN PROGRESS**

CWIP - BUILDING	2,811,021	9,697,485	-	12,508,506	-	-	-	-	12,508,506	2,811,021
CWIP - PLANT & MACHINERY	21,483,619	16,545,625	-	38,029,244	-	-	-	-	38,029,244	21,483,619
<b>TOTAL</b>	<b>24,294,640</b>	<b>26,243,110</b>	<b>-</b>	<b>50,537,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,537,750</b>	<b>24,294,640</b>
PREVIOUS YEAR	2,024,128	22,270,512	-	24,294,640	-	-	-	-	24,294,640	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>13 NON -CURRENT INVESTMENTS</b>		
<b>UNQUOTED NON TRADE EQUITY INSTRUMENTS(AT COST)</b>		
Investments in equity instruments	860,000	860,000
Talbro's Cork Products Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each)		
<b>Total Non-Current Investments</b>	<u>860,000</u>	<u>860,000</u>
<b>14 LONG TERMS LOANS AND ADVANCES</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
Capital Advances	69,368,745	42,581,796
Security Deposits	24,506,557	4,628,274
<b>Total Long Term Loans and Advances</b>	<u>93,875,302</u>	<u>47,210,070</u>
<b>15 INVENTORIES</b>		
(Taken, Valued and Certified by the Management)		
Raw Materials	18,884,873	19,931,264
Work-in-Progress	125,715,500	99,763,718
Finished Goods	803,146	1,151,841
Stores, Spares and Loose Tools	8,472,194	5,272,194
Scrap	1,323,103	1,014,761
Others(Packing Materials)	59,334	59,334
<b>Total Inventories</b>	<u>155,258,150</u>	<u>127,193,112</u>
<b>16 TRADE RECEIVABLES</b>		
Unsecured, Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1,894,016	3,519,040
Others	164,714,805	148,605,978
<b>Total Trade Receivables</b>	<u>166,608,821</u>	<u>152,125,018</u>
<b>17 CASH AND BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in hand	406,527	163,115
Balances with banks		
In current accounts	6,339,248	2,932,512
In dividend accounts	949,040	564,117
<b>OTHER BANK BALANCES</b>		
Fixed Deposit with Bank (Current Maturity)	-	6,478,311
Margin Money with Bank	40,000	637,957
<b>Total Cash and Bank Balances</b>	<u>7,734,815</u>	<u>10,776,012</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, Considered Good</b>		
Advance Recoverable in Cash or in Kind	766,635	490,635
Loans to Employees	849,511	645,261
Advance to Suppliers	10,058,634	2,805,835
Balances with Statutory/Government Authorities:-		
Excise Duty Balance	16,942,596	20,378,494
Income Tax Advance	3,896,947	3,849,167
Sales Tax Advance	20,364,166	26,792,853
Other Short Term Loans and Advances:-		
Advance Income Tax	18,833,830	21,579,694
Prepaid Expenses	812,817	880,173
<b>Total Short Term Loans and Advances</b>	<b>72,525,136</b>	<b>77,422,112</b>
<b>19 OTHER CURRENT ASSETS</b>		
Duty Drawback Receivable	518,424	2,083,759
<b>Total Other Current Assets</b>	<b>518,424</b>	<b>2,083,759</b>
	<b>For the Year Ended 31st March, 2016 ₹</b>	<b>For the Year Ended 31st March, 2015 ₹</b>
<b>20 REVENUE FROM OPERATIONS</b>		
<b>SALE OF PRODUCTS</b>		
Domestic Sales	1,294,396,553	1,079,875,398
Export Sales	220,091,963	287,032,071
<b>OTHER OPERATING REVENUES</b>	<b>1,514,488,516</b>	<b>1,366,907,469</b>
<b>Total Revenue From Operations</b>	<b>26,263,212</b>	<b>16,002,536</b>
	<b>1,540,751,728</b>	<b>1,382,910,005</b>
<b>21 OTHER INCOME</b>		
Interest Income	127,449	1,027,782
Discount Received	12,416,128	17,482,876
Duty Drawback Received	4,453,536	5,334,281
Foreign Exchange Fluctuation	2,410,065	1,920,668
Liabilities written back to the extent not required	694,234	269,220
Other non-operating income (Misc.Income)	501,367	3,600
<b>Total Other Income</b>	<b>20,602,779</b>	<b>26,038,427</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>22 COST OF RAW MATERIAL CONSUMED</b>		
Opening Stock	19,931,264	29,670,012
Purchases	688,351,495	615,144,847
Cartage Inward	743,264	1,493,414
	<u>709,026,023</u>	<u>646,308,273</u>
Closing Stock	<u>(18,884,873)</u>	<u>(19,931,264)</u>
<b>Total Cost of Raw Material Consumed</b>	<b><u>690,141,150</u></b>	<b><u>626,377,009</u></b>
<b>23 CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE</b>		
<b>CLOSING STOCK</b>		
Finished Goods	803,146	1,151,841
Work-in-progress	125,715,500	99,763,718
Scrap	1,323,103	1,014,761
	<u>127,841,749</u>	101,930,320
<b>OPENING STOCK</b>		
Finished Goods	1,151,841	122,469
Work-in-progress	99,763,718	84,147,626
Scrap	1,014,761	2,407,425
	<u>101,930,320</u>	86,677,520
<b>(Increase) / Decrease In Stock</b>	<b><u>(25,911,429)</u></b>	<b><u>(15,252,800)</u></b>
<b>24 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages	94,029,686	82,389,773
Contribution to Provident and other Funds	4,421,016	3,954,762
Director's Remuneration	7,099,896	4,982,144
Gratuity	732,862	778,628
Staff Welfare Expenses	19,534,817	16,113,078
<b>Total Employee Benefits Expense</b>	<b><u>125,818,277</u></b>	<b><u>108,218,385</u></b>
<b>25 FINANCE COST</b>		
Interest Expense	17,833,503	16,353,327
Other Borrowing Cost	11,241,070	8,179,407
<b>Total Finance Cost</b>	<b><u>29,074,573</u></b>	<b><u>24,532,734</u></b>
<b>26 DEPRECIATION AND AMORTISATION</b>		
Depreciation on Tangible Assets	35,459,650	35,920,104
Amount transferred from Revaluation Reserve	(29,849)	(29,849)
<b>Total Depreciation and Amortisation</b>	<b><u>35,429,801</u></b>	<b><u>35,890,255</u></b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>27 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSE</b>		
Stores, Spares and Tools Consumed	152,415,227	141,634,517
Power & Fuel	161,878,393	136,705,992
Processing Charges	38,352,778	26,641,206
Repairs & Maintenance :		
Buildings	3,867,642	5,275,557
Plant & Machinery	36,977,903	30,601,075
Other	4,394,006	3,602,935
<b>Total Manufacturing Expense ( I )</b>	<b>397,885,949</b>	<b>344,461,282</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, Rates and Taxes	1,947,391	1,364,194
Insurance	1,383,807	1,543,599
Travelling Expenses	4,181,194	2,818,179
Commission on Sale	1,141,258	1,179,872
Discounts	1,378,930	3,268,471
Packing Expenses	38,225,042	32,805,800
Advertisement & Sales Promotion	377,667	623,745
Printing & Stationary	1,597,824	1,342,466
Postage & Telegram	332,224	433,023
Telephone Expenses	896,633	834,087
Legal & Professional Charges	3,440,166	5,132,491
Membership & Subscription	141,000	105,725
Charity & Donation	81,000	81,400
Corporate Social Responsibility Expense	1,480,879	1,200,000
Security Services	3,855,298	3,255,542
Miscellaneous Expenses	577,903	453,894
Loss on Sale of Fixed Assets (Net)	170,509	61,795
Conveyance Expenses	749,967	686,815
Warranty Claim Paid	-	61,119
Vehicles Running & Maintenance	1,771,566	1,807,723
Freight Outward	44,891,290	37,797,830
Bad Debts written-off	5,532	517,420
<b>Auditors Remuneration :-</b>		
Audit Fees	425,000	350,000
Limited Review	100,000	75,000
Taxation Matter	-	-
Director's Sitting Fee	10,000	10,000
<b>Total Administrative Expense ( II )</b>	<b>109,162,080</b>	<b>97,810,190</b>
<b>Total Other Expenses ( I+II )</b>	<b>507,048,029</b>	<b>442,271,472</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 28 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

- a) Gross amount required to be spent by the company during the year ₹ 1,480,000/-  
 b) Amount spent during the year on  
     i) Construction/ acquisition of any asset NIL  
     ii) On purposes other than i) above 1,480,879

### 29 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

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>30 FOREIGN CURRENCY TRANSACTIONS:</b>		
I. CIF Value of Imports :		
a) Plant & Machinery	3,397,827	12,012,300
II. Expenditure in Foreign currency		
a) Commission on Export Sales	1,635,038	1,179,872
b) Foreign Travel (Foreign Exchange Utilized)	1,918,905	711,792
c) Repair & Maint. (Plant & Mach.)	<u>152,137</u>	<u>84,883</u>
III. Earnings in Foreign Exchange		
*Value of Export on F.O.B. basis	214,048,743	282,598,197
IV Dividend paid in Foreign Currency		
Details of amount remitted during the year in foreign currency on account of dividend		

No. of Non-Resident shareholders	Total no. of shares held by them	Year of Dividend	Amount remitted (₹)
2	285	2014-15	1,710

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>31. DEFINED BENEFIT PLANS AS PER AS-15</b>		
<b>31.1 GRATUITY</b>		
Assumptions		
Discount Rate	8%	8%
Salary Escalation	6%	6%

#### EMPLOYEE BENEFITS

##### Defined Contribution Plans :-

The Company has recognised INR 7,32,862/- (P.Y. INR 7,78,628) 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 2016).

##### Table showing changes in present value of obligation

Present Value of Obligation as at beginning of Year	12,775,164	13,337,417
Interest Cost	1,022,013	1,066,993
Current Service Cost	727,434	701,111
Benefit Paid	(1,266,448)	(2,434,589)
Actuarial (Gain) / Loss on obligation	51,382	47,785
Present Value of Obligation as at end of Year	13,309,545	12,718,717

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>Table Showing changes in the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at Beginning of Year	12,722,480	12,764,732
Expected Return on Plan Assets	1,067,967	1,107,165
Contributions	777,805	1,243,434
Benefit Paid	(1,266,448)	(2,434,589)
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Present Value of Plan Assets at end of Year	13,301,804	12,680,742
<b>Table Showing Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at Beginning of Year	12,722,480	12,764,732
Actual Return on Plan Assets	1,067,967	1,107,165
Contributions	777,805	1,243,434
Benefit Paid	(1,266,448)	(2,434,589)
Fair Value of Plan Assets at end of Year	13,301,804	12,680,742
Funded Status	(7,741)	(37,975)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>Actuarial Gain / Loss recognized</b>		
Actuarial Gain / Loss on obligation	(51,382)	(47,785)
Actuarial Gain / Loss for the year - plan assets	NIL	NIL
Total Gain / Loss for the year	51,382	47,785
Actuarial Gain / Loss recognized in the year	51,382	47,785
<b>Net Assets / (Liability) Recognized in Balance Sheet</b>		
Present value of obligations as at the end of year	13,309,545	12,718,717
Fair value of plan assets as at the end of the year	13,301,804	12,680,742
Fund status	(7,741)	(37,975)
Net Assets / (Liability) Recognized in Balance Sheet	(7,741)	(37,975)
<b>Expense Recognized in statement of profit and loss</b>		
Current Service Cost	727,434	701,111
Interest Cost	1,022,013	1,066,993
Expected return on plan assets	(1,067,967)	(1,107,165)
Net Actuarial (Gain) / Loss recognized in the year	51,382	47,785
Expenses recognized in statement of profit and loss	732,862	708,724

**31.2 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 terminal salary.

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

Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2016	Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2015
217	2,451,701	192	2,162,164



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31st March, 2016 ₹	For the Year Ended 31st March, 2015 ₹
<b>32 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>CONTINGENT LIABILITIES</b>		
a) Guarantees	800,000	1,204,500
b) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	38,422,727	34,201,018
c) Estimated amount of contracts remaining to be executed on capital account and not provided		
Total value of Contracts	<b>149,148,875</b>	148,234,575
Contracts Remaining to be executed	<b>79,780,129</b>	105,652,779

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

#### 33.1 KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
MR. RAJESH TALWAR	SALARY	3,000,000	3,000,000	-	(172,476)
	FD RECEIVED	10,800,000	-	-	-
	UNSECURED LOANS RECD.	10,800,000			
	UNSECURED LOANS REPAID	924,760			
	INTT. ON FD		379,887	-	-
	FD REPAID		3,600,000	-	-
MR. TARUN TALWAR	SALARY	5,256,000	3,230,000	-	(199,542)
MR. TARUN TALWAR (HUF)	UNSECURED LOANS RECD.	1,000,000	230,000	(230,000)	(230,000)
	INTT. ON LOAN	98,098	16,943	-	-
	UNSECURED LOAN REPAID	1,000,000	-	-	-
	FD REPAID	-	467,506	-	-
	INTT. ON FD	-	59,538	-	-
MR. SANJAY SHARMA	SALARY	925,752	879,876	-	(50,020)
MR. VIJAY KUMAR SHARMA	SALARY	918,144	872,268	-	(60,240)
MS. GITA TALWAR	UNSECURED LOANS RECD.	21,200,000	7,200,000	(23,800,000)	(23,300,000)
	UNSECURED LOANS REPAID	20,700,000	-	-	-
	INTT ON FD	-	4,239,741	-	-
	FD REPAID	-	15,845,000	-	-
	INTT. ON LOAN	4,164,013	455,750	-	-
MS. SAMEENA TALWAR	UNSECURED LOANS RECD.	1,010,000	8,355,000	(350,000)	(8,355,000)
	UNSECURED LOANS REPAID	9,015,000	-	-	-
	INTT. ON FD	-	527,232	-	-
	FD REPAID	-	7,596,904	-	-
	INTT. ON LOAN	554,381	278,318	-	-
	SALARY	350,000	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
MS. SHWETA TALWAR	UNSECURED LOANS RECD.	3,600,000	-	(3,600,000)	-
	INTT. ON LOAN	175,683			
	FD REPAID	-	55,955	-	-
	INTT. ON FD	-	7,138	-	-

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
J.T.Engineering Private Limited.	Job Work Charges Paid	3,105,215	3,613,650	(1,137,793)	(1,022,387)

**34 ASSETS TAKEN ON OPERATING LEASE AS PER AS-19**

- a) The Company has taken industrial shed on non-cancellable operating lease. Minimum lease payments of 16,50,000/- ( P.Y. NIL) are charged to Profit & Loss during the year.
- b) Future commitments in respect of minimum lease payments payable in respect of aforesaid lease entered by the company are as follows:

Particulars	As at 31.03.2016
Not later than one year	1882500
Later than one year and not later than five years	6605081.75
Later than five years	182326

For the Year Ended  
31st March, 2016  
₹

For the Year Ended  
31st March, 2015  
₹

**35 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 **33,654,936** 45,487,426

**b) Denominator**

No. of Shares at the beginning of the year **2,538,252** 2,538,252

Total Equity shares outstanding at the end of the year **2,538,252** 2,538,252

Weighted Average no of Equity shares for the year **2,538,252** 2,538,252

Weighted Average of Diluted Equity shares for the year **2,538,252** 2,538,252

**c) Face value per Share (₹)** 10 10

**d) Earning Per Share**

Basic and Diluted (₹) (Restated) **13.26** 17.92

**36 LICENSED AND INSTALLED CAPACITY**

	Axles Shafts ( Nos.) N.A.	Axles Shafts ( Nos.) N.A.
<b>Licensed Capacity</b>		
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
Actual Production	1,215,653	1,088,054

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**37 TURNOVER, PURCHASE, OPENING AND CLOSING STOCK OF GOODS, CONSUMPTION ETC.**

TURNOVER	Units	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
		Quantity	Value	Quantity	Value
<b>Finished Good</b>					
Axle Shafts	Nos.	<b>1,215,689</b>	<b>1,514,488,516</b>	1,087,100	1,366,907,469
Scrap and Others	Kgs	<b>1,506,454</b>	<b>26,263,212</b>	1,303,520	16,002,536
<b>Total</b>			<b>1,540,751,728</b>		<b>1,382,910,005</b>
<b>STOCKS OF GOODS</b>					
<b>Opening Stock:</b>					
Axle Shafts	Nos.	<b>1,128</b>	<b>1,151,841</b>	174	122,469
<b>Closing Stock:</b>					
Axle Shafts	Nos.	<b>1,092</b>	<b>803,146</b>	1,128	1,151,841

**38 CONSUMPTION ANALYSIS**

**38.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-**

Units(kgs.)	For the Year Ended 31st March, 2016		For the Year Ended 31st March, 2015	
	Quantity	Value	Quantity	Value
Metallic Rods	<b>15,953,144</b>	<b>690,141,150</b>	13,827,295	626,377,009
Indigenous	<b>100%</b>	<b>690,141,150</b>	100%	626,377,009
<b>Total</b>	<b>100%</b>	<b>690,141,150</b>	100%	626,377,009

**38.2 COMPOSITIONS OF STORES , SPARES AND TOOLS CONSUMED:-**

	Quantity	Value	Quantity	Value
Indigenous	<b>100%</b>	<b>152,415,227</b>	100%	141,634,517
<b>Total</b>	<b>100%</b>	<b>152,415,227</b>	100%	141,634,517

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

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

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

**42** Current year figures are shown in bold prints

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

Sd/-  
**Ruchi Jain**  
Partner  
Membership No: 99920

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

Sd/-  
**Tarun Talwar**  
Managing Director  
DIN : 02276634

Sd/-  
**Sanjay Sharma**  
Executive Director  
DIN : 06394774

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

Sd/-  
**Kanwar Pal Pawar**  
Chief Financial Officer

Place : Faridabad  
Date : 18.05.2016



# Book Post



## **TALBROS ENGINEERING LIMITED**

**CIN No.: L74210HR1986PLC033018**

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