On a firm footing

Talbros Automotive Components Limited
60th Annual Report 2016-17

talbros

Driving Future Leadership

CONTENTS

On a Firm Footing	01
Growth Drivers	02
Chairman's Message	04
The World of Talbros	06
Business Highlights	18
Notice	20
Director's Report	28
Corporate Governance Report	51
Auditors' Report	66
Balance Sheet	72
Statement of Profit & Loss	73
Cash Flow Statement	74
Notes	75
Auditor's Report on Consolidated Financial Statement	101
Consolidated Balance Sheet	104
Consolidated Statement of Profit & Loss	105
Consolidated Cash Flow Statement	106
Consolidated Notes	107
Proxy Form	133

ON A FIRM FOOTING

Driving Future Leadership

ALL OUR BUSINESS SEGMENTS DID STRENGTHEN WITH AN INCREASE IN VOLUME, MARKET SHARE AND CAPACITY UTILISATION. BESIDES, SEVERAL NEW INITIATIVES ACROSS THE PRODUCT LINES, JOINT VENTURES AND GEOGRAPHIC FOCUS BORE US FRUITS.

Our campaign of intrinsic strengthening of our business structure and prospects saw a slew of strategic initiatives already in motion, when we ushered in the financial year 2016-17 (FY17). The priorities were well defined–strengthening our order pipeline, reducing cost and sharpening efficiencies, improving the performance of our joint ventures, leveraging our JVs', OEM penetration for the gasket and forging businesses, and expanding the reach of our gasket business in the global market.

We started the year with defined goals and strategies and stuck to the basics – go closer to the customer, customise customer's offerings, stay put to quality, optimise resources and opportunities, minimise cost and wastages, cross-sell, de-risk domestic and exports opportunities with one another and allocate sharper focus on each division, each customer and each region.

The financial year closed with an all- round improvement in our performance and promising future prospects. All our business segments did strengthen with an increase in volume, market share and capacity utilisation. Besides, several new initiatives across the product lines, Joint Ventures and geographic focus bore us fruits. Operational efficiency aided in improved profitability margins. Post the closure of FY17, we bagged a prestigious and sizeable multi-year order that further bolstered our forging business prospects and we partially divested our non-core materials business asset, thereby enhancing our chance of higher localisation of material sourcing.

The gains accrued, however, form only a part of the overall prospect that we have enabled our business with. With the automobile industry poised to sustain its growth momentum, in India and elsewhere in our operating geographies, we are finding ourselves on a firm footing. A position, that will help us accelerate value creation for all our stakeholders over coming years.

ON A FIRM FOOTING
GROWTH DRIVERS

DESPITE THE MONUMENTAL DEMONETISATION THAT ADVERSELY IMPACTED COUNTRY'S BUSINESS ECOSYSTEM FOR THE THIRD QUARTER. THE INDIAN AUTOMOBILE INDUSTRY RECORDED AN ANNUAL GROWTH OF 5.41% IN THE FY 2016-17.

The deferred purchases of FY17 carry forward benefits to the industry in FY18, which was evident in form of a very healthy demand growth in the first two months of the current year.

The demand growth is expected to accelerate, on the back of favourable macroeconomic indicators. The household income across salaried class urban households is expected to increase, aptly aided by the rollout of 7th pay commission. Rural income, which got bolstered on the back of record agricultural throughput and increased minimum support prices of many food commodities, is poised to reap the benefits of a second successive year of good monsoon. Increased budgetary allocations towards rural economy coupled with the direct transfer of various subsidies would further strengthen the consumption power of rural populace.

Surplus liquidity in the banking system augurs well for increased access of auto loan products, that too at affordable prices. Implementation of GST is poised to help the automobile sector sustain its growth momentum over a longer period of time.

A MATURE AND WORLD-CLASS COMPONENT UNIVERSE, AFFORDABLE ACCESSIBLE SKILL SETS, TECHNOLOGICAL AND ENGINEERING CAPABILITIES, EVER GROWING DOMESTIC MARKET AND IMPROVING EXPORT

WE HAVE ALSO OPTED FOR STRATEGIC PRODUCT INTRODUCTIONS IN THE FIELD OF SAFETY AND EFFICIENCY OF TRUCKS BUSES, PASSENGER VEHICLES, QUADRICYCLES, TRACTORS AND OFF-ROADERS

In the view of protectionist measures being taken by some developed nations, the manufacturing shift towards India makes greater sense for the global automobile industry. Policy consistency, Make in India, a mature and world-class component universe, affordable accessible skill sets, technological and engineering capabilities, ever growing domestic market and improving export infrastructure and GST would help India emerge as a stronger global automobile manufacturing destination in coming years.

Our quest of delivering value to our customer has emboldened us to seamlessly align innovation with product enhancement. We have also opted for strategic product introductions in the field of safety and efficiency of trucks buses, passenger vehicles, quadricycles, tractors and off-roaders. In order to keep pace with innovation and technological advancement, we have introduced Heat Shields which is already with in the gasket product line and manufacture of gasket using Post coating technology (which will start in October 2017) in association with SANWA Packing Industries Limited, Japan, which would only aid in diversifying our gaskets business but also complements the Company in becoming BS VI compliant. We also perceive a huge potential in Passenger Vehicle segment as India has very low vehicle penetration.

Moreover, the introduction of Seventh Pay Commission and speculation for an above-average monsoon as forecasted by the IMD, declining interest rates and relatively low oil prices are some of the factors that will trigger growth and sustain us.

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

CHAIRMAN MESSAGE

Dear Shareholders,

It's amazing how time quickly flies by! We are again in a new Financial Year and I am pleased to inform you that our performance in the previous year has been above the mark in every sphere as far as automotive components sector is concerned. Right from achieving profit margin to new innovation and market exploration, we have managed to exceed expectations.

For the Financial Year 2016-17 your Company on consolidation basis has recorded a turnover of Rs. 428 crores, higher by more than 9% as compared to last Financial Year 2015-16 with turnover of Rs. 392 crores. Profit after tax (PAT) for the Company on consolidation basis was at Rs. 15.72 crores, higher by approximately 62% as compared to PAT of Rs. 9.71 crores in previous year 2015-16.

The volatile global scenario and a gradual shift towards new technology, digitalisation and changing consumer preferences are making us put our thinking hats on. We are also seeing a world that is gradually inching towards a more co-integrated and cohesive business module that is applicable to the automobile industry also. Globally, the sales of automobile in the financial year 2016-17 have been moderate and the car segment happened to be an essential part of revenue.

As for India, automobile sector has registered an upsurge due to the ever increasing demand. This has majorly happened due to changing consumer demand and increasing purchasing power of the Indian consumer. Today, people are more into recreational spending than ever and the consumption expenditures are expected to rise significantly in years to come.

In India, automobile sector has extensive forward and backward linkages, which in turn, will help in fuelling the growth in the sector. As per SIAM report, the industry produced a total 25,316,044 vehicles in Financial Year

2016-17 including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in as against 24,016,599 in Financial Year 2015-16, registering a growth of 5.41% over the same period last year.

The Financial year 2016-17 commenced with the stable growth in the automobile industry which sustained during the first two quarters of the financial year. However Central Government's demonetization initiative negatively influenced consumer sentiments and also adversely impacted their purchasing power leading to temporary slowdon of the Industry in third quarter, a 16 year low in the month of December. As a result of demonetization the Industry faced challenges. The company continuously evaluated market movements and strategized well to navigate the volatile environment to registered growth in fourth quarter.

Going forward, the Automotive Mission Plan 2026 is a collective vision of the Government of India and the Indian automotive industry and seeks to make India's automotive industry the propeller of the 'Make in India' initiative. Under the mission, various segments of the automotive and auto component industry need to be structured in 2026 in such a way that it will contribute significantly to the economy. It also aspires to put the automotive industry in the guild of top three nations in engineering, manufacturing and export of vehicles, and auto components.

One of the key reforms that the industry is looking at is Bharat Stage (BS) VI norm 2020. The government has rolled up its sleeves to combat air pollution and has come up with a straight-laced fuel standard as India has already skipped the BS-V norms. Your company is ready to manufacture products which are BS-VI compliant.

Among all the initiatives by the Central Government, the 'Make in India' has proven to create a milestone not only in making Indian an innovation and manufacturing hub but also propelling the growth of the indigenous industries. Our sector too is reaping the benefit and several foreign companies are flocking to Indian shores and setting up manufacturing facilities. On the home front, 'Make in India' is also expected to increase the purchasing power of an average Indian, flare up demand, thus, triggering growth. With 'Make in India' the automobile sector is definitely sailing on a safe boat where both investors and consumers are reaping the benefits.

The future of automotive industry seems bright and we are all in a win-win situation. The Indian automotive market is set to witness growth in several pockets in FY2017-18, courtesy reforms. A good Rabi crop output and monsoon are also set to impact the short-term sales volume across segments. SIAM has forecasted a 7-9% growth for the domestic PV sales in Financial year 2017-18. With the strengthening of existing client relationship and expansion into new segments and new products, your Company is well positioned to make the most of this forecasted market outlook.

In the gasket business, we are going to focus vigorously on Original Equipment Manufacturing (OEMs) business both domestically and globally, as there is a huge market for exports especially in the agri-offloader and the commercial vehicle segment. We have also targeted new countries like Turkey, Iran, USA and Japan and are exporting to them.

In forging division, we are focusing very aggressively in the domestic market and have entered Volvo Eicher and we are trying to make an entry into Honda Scooters. We have also secured a very large order from BMW Germany for which supply will start shortly.

Our JV Company Nippon Leakless Talbros Private Limited (LTL) has been exploring various options to increase its presence in two wheeler gasket business. LTL has been developing gaskets for new models to be launched by Hero, Honda & Yamaha in the coming financial year.

At our second JV Company Magneti Marelli Talbros Chassis Systems Pvt Ltd, we are now trying to enter into higher value-added products such as front axle. We are talking with Maruti Suzuki India Limited on the same and also expanding our product range with them. This JV Company saw a 40% revenue growth during this financial year because of higher volumes. The Company also achieved the highest margin in this business in the last quarter of this financial year.

The third JV Company Talbros Marugo Rubber Private Limited saw a 47% revenue growth in the financial year 2016-17 over the previous year. We are increasing our customer profile and are looking at Daimler, Honda, Fuso and looking very aggressively on exports as well.

We are all destined for a good and profitable year ahead as Talbros has managed to bag orders from domestic OEMs-Ashok Leyland, Maruti Suzuki and export orders from Kubota, Caterpillar and Ducati.The icing on the cake has however been new product launches and JVs that has led to increase in the company's business footprint. The expectation of good monsoon and raise in revising of 7th pay commission are going also going to boost demand.Right from gaskets to heat shields and forging, we have created some of the state-of-the-art products, conquered new territories and set high standards in the industry.

ACKNOWLEDGEMENTS

In closing, I would like to thank our hardworking and energetic employees for their ongoing efforts. We thank our customers for giving us the opportunity to earn their business. We thank our bankers and financial institutions for their continuous support. And we thank you, our shareholders, for your investment in our Company. With your support, we are pleased to have reached an exciting level in our journey and are optimistic about long-term opportunities that lie ahead.

Sincerely,

NARESH TALWAR
Chairman

THE WORLD OF TALBROS

Talbros Automotive Components Limited (Talbros), The flagship manufacturing Company of the Talbros Group was established in the year 1956 to manufacture Automotive and Industrial Gaskets in collabration with Coopers Payen of UK. Today Talbros stands proud and tall as a mother brand of gaskets, chassis, rubber products and forgings in India; diversified auto components player with presence across Two Wheeler, Passenger/Commercial Vehicles and farm equipments. Talbros Group portfolio also includes Mercedes Benz dealership for passenger car. It also boasts of impressive and diverse clientele and has some of the landmark JVs with global giants like Nippon Leakless Corporation- Japan, Magneti Marelli- Italy and Marugo Rubber- Japan. One of the most remarkable aspects of the entity is its emphasis on innovation, technological upgradation and value-addition. It has established a technological partnership with Sanwa Packing Industries Limited, Japan.

Talbros quest for excellence, has urged it to take an unconventional route where it has invested heavily in R&D and has resorted to cherry picking as far as JVs are concerned. It has put emphasis on factors like endurance, static and simulated environment testing that would reveal much about its design capabilities. The company boasts of five businesses and 8 manufacturing facilities.

Talbros together with JV Companies has 8 manufacturing facilities at Haryana, Uttarakhand and Maharashtra and R&D technology centre at Faridabad. The facilities are equipped to competitively design, develope and manufacture products as per customers requirments. The Company offers diversified portfolio with Gaskets, Forgings, Suspension Systems, Anti-Vibration Products and hoses for its customers.

IT HAS IMPRESSIVE LIST OF NAMES ON ITS CUSTOMER'S LIST INCLUDING THE LARGEST OEMS LIKE ASHOK LEYLAND, BAJAJ AUTO, CUMMINS, EICHER INDIA, ESCORTS GROUP, FORCE MOTORS, GENERAL MOTORS, HERO MOTORCORP, HONDA, HYUNDAI, HARLEY DAVIDSON, JOHN DEERE, MAHINDRA & MAHINDRA, MARUTI SUZUKI, SUZUKI, TAFE, TATA MOTORS, TATA CUMMINS, SIMPSONS AND INTERNATIONAL CORPORATES LIKE CARRARO, DANA, KMP BRAND, MAXI FORCE, GKN DRIVELINE. IT ALSO HAS OVERSEAS OEMs LIKE KUBOTA JAPAN, CATERPILLAR THAILAND AND DUCATI

DIVISION	TYPES	PRODUCTS
GASKETS AND HEAT SHIELDS	Cylinder Head Gaskets	Multi-Layer Steel Technology, Fiber Technology, Steel Elastomer Technology
	Secondary Gaskets	Fiber Gaskets, Rubber & Foam Coated Steel Gaskets
	Hot Gaskets	Exhaust Gaskets, Turbo Charger Gaskets, EGR Gaskets
	Metal Elastomer & Elastomer Gaskets	Oil Pan, Rubber Coated Front and Rear Cover Gaskets
	New Technology	Heat Shields, Post-Coated MLS Gaskets
FORGINGS		King pins, Gear Blanks, Housing and Yoke Shafts, Bevel Pinion, Hub, King Pin Assly, Tube Yoke, Connecting Rod & Cap, Integral Connecting Rod
SUSPENSION SYSTEMS		Control Arms, Steering Knuckles, Front Cross Members, Twist Beam Rear Axles, Wheel Group & Semi Corner Module Assemblies
ANTI VIBRATION PRODUCT AND HOSES		Mufflers & Hangers, Suspension Bushes, Strut Mounts, Engine Mounts, Hoses

GASKET

Faridabad, Haryana
Sitarganj, Uttarakhand
Pune, Maharashtra

FORGINGS

Bawal, Haryana

JOINT VENTURES

Nippon Leakless Talbros Pvt. Ltd.(Bawal, Haryana)
Magneti Marelli Talbros Chassis Systems Pvt. Ltd. (Faridabad)
Talbros Marugo Rubber Pvt. Ltd.(Manesar)

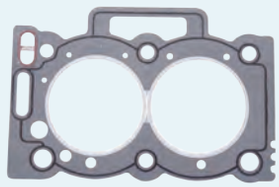
GASKET & HEAT SHIELD

Our gasket division felt the heat of demonetization as our sales in two-wheelers segment slowed down. However, our aggressive expansion and penetration of Gasket business in Commercial Vehicle segment, two-wheelers, and agriculture space helped us to carve out more shares in the business and we managed to win orders from Ashok Leyland, Maruti Suzuki and also export orders from Kubota, Japan, Caterpillar, Thailand and Ducati. Talbros and LTL are single source to Hero Moto Corp, Honda Motor Scooters India and Bajaj, Tata Cummins and Harley Davidson. Our focus is on making our products more export centric in the future. One of the areas where we are having an upper hand is the heat shield production; it is gaining a lot of traction as Bharat-VI norms are scheduled to be implemented in 2020. It will require all the vehicle to be compliant with stringent emission norms.

IN – HOUSE TOOL DESIGN AND MANUFACTURING

38% MARKET SHARE IN GASKETS 3X THE NEAREST COMPETITOR

MARKET LEADER IN-TWO-WHEELER, AGRI & OFF LOADERS, HCV & LCV SEGMENT



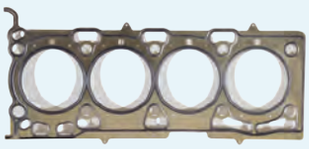
100% ASBESTOS FREE PLAYER

TIER I OE SUPPLIER FOR 12 OF OUR CUSTOMERS

SINGLE SOURCE SUPPLIER FOR 5 OF OUR CUSTOMERS

INTRODUCED DEDICATED HEAT SHIELD PRODUCT LINE: CRITICAL FOR HEAT, SOUND AND VIBRATION INSULATION

EXPORT ORDERS FROM CUMMINS, DAIMLER AND VOLVO



REVENUE FOR FY17 STOOD AT Rs. 258 CR

Your Company has also taken another initiative by strengthening our relationship with our technical partners Sanwa Packing Industries Limited, Japan for two new product i.e.Heat Shield which is within the gasket product line and manufacture of gaskets using post coatings technology which will start in October this year. Your Company hopes to achieve a business of Rs. 20 crores from these two products in next couple of years..

As far as export in gasket business is concerned, it has seen a considerable boost. We started off on a positive note and our plan to export gaskets to countries like Turkey and Iran saw an upward swing. We also started shipping small orders to Turkey and Iran. We have succeeded in earning orders from overseas clients like Volvo, USA, Kubota, Japan and Caterpillar, Thailand and several more. Our heat shield segment is also picking up. We have also worked towards increasing our aftermarket sales margin by establishing an aftermarket production line in Sitarganj and a devoted sales team.

FORGING

With the slowdown in Europe continuing in FY17 too, we shifted our focus on the Indian market. Our efforts to work closely with Indian OEMs resulted in new orders from Volvo Eicher and Amul Industries. Intensified efforts to maintain our market share and leverage our brand equity in the slowed down international market yielded new international orders for supplying parts to BMW Germany and GKN Europe. Consequently, our share of sales to OEMs improved.

We continued to work on cost and operational efficiency in order to improve the profitability of our forging business. In a major development, we started to draw grid power. Overall, forging division recorded encouraging improvement in volumes and operating margins.

ONE STOP SOLUTION FOR HOT FORGING
(750 TO 1,600 TON PRESS)

INTRODUCED CROWN WHEELS

STRONG PRESENCE IN OVERSEAS MARKET & SUPPLIER TO TOP TIER I COMPANIES

ONE STOP SOLUTION FOR DIE DESIGN, MACHINE PARTS AND HEAT TREATMENT
(NORMALIZING AND ISO THERMAL ANNEALING)

REVENUE FOR FY17 STOOD ATRs. 71 CRORES

IN-HOUSE TOOL DESIGN AND MANUFACTURING

We continued to work on cost and operational efficiency in order to improve the profitability of our forging business. In a major development, we started to draw grid power.

JOINT VENTURES

NIPPON LEAKLESS TALBROS PVT. LTD.

Nippon Leakless Talbros Private Limited (LTL) is a joint venture company between Nippon Leakless Corporation (NLK) Japan and Talbros Automotive Components Ltd. (TACL) India – was established in the year 2005 to manufacture Gaskets for passengers cars, motorcycles, scooters, power equipment products and industrial applications. NLK group supplies to leading OE vehicle and motorcycle manufacturers such as Honda, Suzuki and Yamaha Worldwide.

State-of-the-art facilities to manufacture diversified range of Cylinder Head Gaskets in composite, Multi Layered Steel (MLS), Single Layered Steel (SLS), and Secondary Gaskets made from metallic and non metallic jointing sheet materials.

NLK group has strong research & development support from Nippon Leakless, Japan and TACL, India not only for product design, but also for engine testing with computerized engine test bed and deep thermal shock testing facility.

The plant is equipped with in-house tool room with modern manufacturing equipments having high level of automation. Nippon Leakless Talbros can design, develop and manufacture products as per customer requirements competitively.

THE COMPANY IS IN CONSTANT TOUCH WITH TOYOTA TO DEVELOP GASKETS FOR ITS FOUR WHEELER AND IT IS EXPECTED THAT MASS PRODUCTION WILL BE STARTED IN THE MONTH OF SEPTEMBER 2017.

108.19

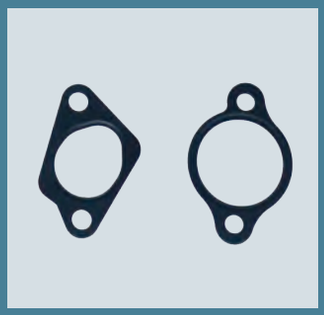
Revenues in (₹ Crores)

2016-17

43.28

Talbros share (₹ Crores)

2016-17



4.04%

Revenues growth over

2015-16

10.02%

Contribution to consolidated revenues

2016-17

PRODUCT

Automotive Gasket

MANUFACTURING LOCATIONS

Bawal (Haryana)
Haridwar (Uttarakhand)

CERTIFICATIONS

TS16949ISO 14001
ISO 18001

OVERVIEW

Established in 2005, Nippon Leakless is a 60:40 joint venture and manufactures a gamut of automotive gaskets for passenger cars, motorcycles, scooters, power equipment products and industrial applications.It is a single source supplier to Honda and other Japanese OEMs.

The JV is exploring various options to increase its presence in the two wheeler gasket business and the Company has been constantly developing gaskets for new models to be launched by Hero, Honda & Yamaha in the coming financial year.

The Company is in constant touch with Toyota to develop gaskets for its four wheeler and it is expected that mass production will be started in the month of September 2017.

MAGNETI MARELLI TALBROS CHASSIS SYSTEMS PRIVATE LIMITED

Magneti Marelli Talbros Chassis Systems Pvt. Ltd., a joint venture between Sistemi Sospensioni S.p.A., Italy and Talbros Automotive Components Limited, India (TACL) manufactures. Chassis components like Control Arm, Steering Knuckle, Front Cross Member, Rear Twist Beam Axle, Wheel Group and Semi Corner Module Assemblies for automotive application. The facility is equipped with best in class technology and manufacturing practices to produce the avant-garde light-weight solutions for the Indian automobile industry.

In addition, the state-of-the-art in-house toll room has been equipped with sophisticated machines, like mechanical presses ranging from 30 tons to 400 tons, automatic feeders, robotic welding with turn table and 5-Axis Multi Spindle machine facility for single set up machining of Steering Knuckles.

At Magneti Marelli Talbros Chassis Systems Private Limited, we are witnessing good traction with order wins from large OEMs. We will also start exporting components to UK for vehicles meant for European Markets between 2017-18. At this JV, we have a strong order book in the pipeline wherein the focus is not only on Indian but also export markets.

PERFORMANCE OF OUR JV

At Magneti Marelli Talbros Chassis Systems Private Limited, our joint venture signed with Sistemi Sospensioni S.p.A., we are witnessing good traction with order wins from large OEMs.

85.44

Revenues in (₹ Crores)

2016-17

42.72

Talbros share (₹ Crores)

2016-17

40%

Revenues growth over

2015-16

9.98%

Contribution to consolidated revenues

2016-17

PRODUCT

Suspension systems (control arm assembly, front sub frames, rear axles/ cradle, modular assembly)

MANUFACTURING LOCATIONS

Faridabad (Haryana)

CERTIFICATIONS

TS 16949, ISO 9001, ISO 14001, OHSAS 18001

OVERVIEW

The core purpose of the complete suspension system is to isolate the vehicle body from road shocks and vibrations which would otherwise be transferred to the passengers. It must also keep the tyres in contact with the road, regardless of the road surface. Chassis systems are typically ride control products contributing to automotive and passenger safety.

KEY HIGHLIGHTS, 2016-17

- The year represented the first full-year sales to Maruti Suzuki's latest top selling model Baleno ; emerging as the single-source supplier for extension arms to thismodel.
- Bajaj quadricycle Qute's ramp up has started in 2016-17 and is expected to grow at a faster rate in the coming year.
- Implementation of world-class manufacturing programme of Fiat Chrysler continued in 2016-17 leading to additional cost savings.
- Company has acquired Export orders from a European Customers for which development work has been initiated in 2016-17

FOCUS AREAS, 2017-18

- Focus on acquiring new customers especially in Export markets in not only the existing product basket but also opening up new product segments
- Enhancing cooperation with OEMs in India to focus on providing suspension solutions

TALBROS MARUGO RUBBER PRIVATE LIMITED

Our joint venture Talbros Marugo Rubber Private Limited (TMR) continues to progress well. TMR have new orders from Maruti Suzuki, Honda car and Daimler which provides long range revenue security. We have been also awarded export business of antivibration and extruded hoses from Mitsubishi, Fuso Japan.

30.72
Revenues in (₹ Crores)
2016-17

15.35
Talbros share (₹ Crores)
2016-17

46.67%
Revenues growth over
2015-16

3.20%
Contribution to consolidated revenues
2016-17

PRODUCT
Anti-vibration products and hoses

MANUFACTURING LOCATIONS
Manesar (Haryana)

CERTIFICATIONS
TS 16949, ISO 14001, ISO 14001, ISO 18001

OVERVIEW

JV Company, Talbros Marugo Rubber Pvt. Ltd. (TMR) is a 50:50 partnership established in 2012 between Talbros Automotive Components Ltd. and Marugo Rubber Industries, Japan (Marugo). Marugo is a $220 million company and a global leader in the supply of anti-vibration products and hoses to global automobile OEMs. The JV Company TMR was formed for localizing the production of rubber hoses for Maruti Suzuki, production for which commenced in February 2013. TMR manufactures anti-vibration products and hoses, which include air, fuel and breather hoses, mufflers, hangers, suspension bushes, rubber bushes and hoses.

Marugo provides technical knowhow in terms of design, development and validation for OEMs. This JV Company draws around 57% of its revenues from Maruti Suzuki and caters to the requirements of other major players in the industry also including exports to partner Marugo.

DEVELOPMENTS OF THE YEAR

Led by an improved performance in the antivibration products vertical, TMR expects to report healthy revenue growth in the anti-vibration products and hose segments during the coming years. In a significant development during the year 2016-17, the JV Company, TMR also entered into LCV and HCV segment. The segment reported a revenue growth of 46.67% from Rs. 21.04 crores in 2015-16 to Rs. 30.72 crores in 2016-17, on account of an increase in the sales of mounting mufflers and bushes to Maruti Suzuki. The JV, with an EBITDA margin of 4.90% in 2016-17, allowed the Company to directly cater to Maruti Suzuki at its Manesar plant, reducing lead times.

TMR has also received new business from Honda and Daimler for hanger and anti-vibration parts.

EMINENT CLIENTELE

- OEMs: Maruti Suzuki, Isuzu Motors, Honda, Daimler, Mitsubishi and Fuso Japan
- Tier-I: QH Talbros, Endurance Technologies, Rane (Madras), Magneti Marelli Talbros, Sharda Motors and Minda Furukawa.

BUSINESS HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

PROFITABILITY IMPROVED IN ANTIVIBRATION BUSINESS

JV'S HAVE ADDED NEW PRODUCTS TO THE OFFERINGS FOR THE OEM'S

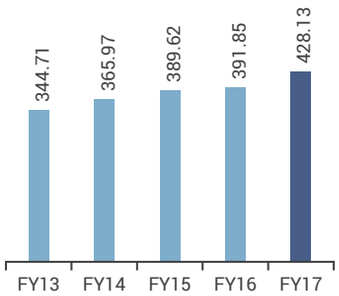
NEW TECHNOLOGY, LAUNCH OF POST COATING GASKETS

HEAT SHIELD'S CONTRIBUTION TO RAISE WITH THE UPCOMING BSVI NORMS

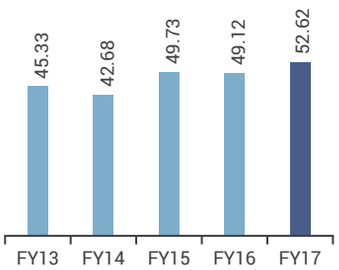
- Consistent dividend payout in last 50 years to the share holders
- Built diversified markets
- Profitability improved in Antivibration Business
- Positive PAT
- Increased buyback of product by the JV partner – Marugo Rubber
- Gradually increasing the share of Domestic Customers
- Succeeded in reducing power cost and local sourcing
- Produced heat shields that create less noise
- Strategic tie-ups
- Enhanced enterprise-wide sustainability in a business – ecosystem
- New technology, launch of post coating gaskets
- Increased export of gaskets
- Saved cost of power through local sourcing
- Strong performance from new JV's Talbros Marugo Rubber and Magneti Marelli Talbros Chassis Systems
- Turnaround of Forgings Business and Magneti Marelli Talbros Chassis Systems
- Better Working Capital Management Lower Interest Cost and Bank Charges
- JV's have added new products to the offerings for the OEM's
- Heat Shield's contribution to raise with the upcoming BSVI norms
- Emphasis on localization of raw material through use of post coated technology with cost benefits
- Reduced power cost within the forgings segment have significantly added to profitability
- Fully Asbestos free manufacturing facilities – to provide opportunity for exports to the global OEM's
- Large Order for supply of Forgings to a German Luxury Car Manufacturer; Expected Revenue – Rs. 1,750 million over 7 years
- Partial Strategic Disinvestment on Non-Core Materials Business Assets; Expected Savings – Rs. 7 – 10 million per annum

FINANCIAL HIGHLIGHTS

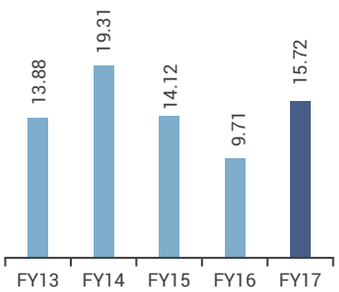
REVENUE FROM OPERATIONS
(₹ in crore)



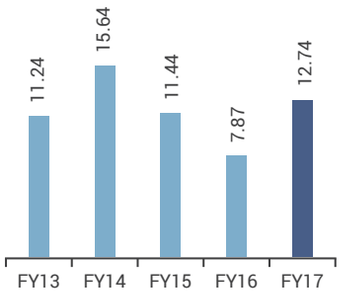
EBITDA (BEFORE EXCEPTIONAL EXPENDITURE/INCOME) (₹ in crore)



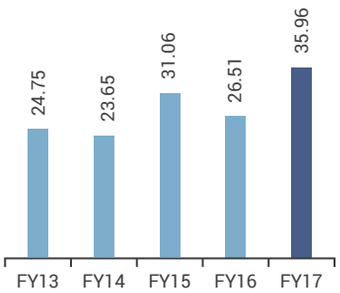
PAT
(₹ in crore)



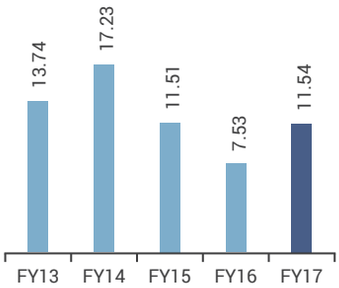
EPS (FACE VALUE @ ₹ 10)
(₹)



CASH PROFIT (BEFORE EXCEPTIONAL EXPENDITURE/INCOME) (₹ in crore)



ROE (%)



TALBROS AUTOMOTIVE COMPONENTS LIMITED
CIN: L29199HR1956PLC033107
Registered Office: 14/1, Delhi-Mathura Road
Faridabad-121003, Haryana
Tel No.: 0129-2251482, Fax No.: 0129-2277240
Website: www.talbros.com, **Email**: shares@talbros.com

NOTICE

NOTICE is hereby given that the 60th Annual General Meeting of the members of Talbros Automotive Components Limited will be held at 10.30 a.m. on Tuesday the 26th day of the September, 2017 at **Hotel Saffron Kiran, 12/6, NH-2, (Near to Sarai Metro Station and Badarpur Toll Plaza) Sarai Khwaja, Faridabad -121003, Haryana** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2017 including audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on paid-up Equity Share Capital for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Navin Juneja (holding DIN 00094520) who, retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. J C Bhalla & Co., (Firm Registration No. 001111N) as Statutory Auditors of the Company and M/s. A. R. Sulakhe & Co., (Firm Registration No. 110540W) as auditors for company's Pune Branch to hold office from the conclusion of this Annual General Meeting till the conclusion of 65th Annual General Meeting of the Company and authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

   "**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) approval and consent of the Company be and is hereby accorded for re-appointment of Mr. Umesh Talwar (DIN: 00059271) as Vice Chairman & Managing Director of the Company as recommended by the Nomination and Remuneration Committee effective for a period of three years commencing from 1st April, 2018, not liable to retire by rotation, on payment of monthly remuneration as detailed hereunder along with payment of commission at the end of the financial year with the condition that the total amount of remuneration payable to him with commission does not exceed 5% of the Net Profits of the Company, computed in accordance with the provision of section 198 of the Companies Act, 2013 payable to him, during the period of his continuance in the office of Vice-Chairman and Managing Director of the Company.

I. Salary

Particulars	Monthly Remuneration (₹)
Basic Salary	4,85,000
House Rent Allowance	3,39,500
Other Allowances	12,500
Total Salary	**8,37,000**

II. Perquisites & Allowances in addition to the above:

a. Company's Contribution towards Provident Fund and Superannuation Fund as per rules of the Company.
b. Gratuity – As per rules of the Company.
c. Earned/ Privilege Leaves - As per rules of the company. Leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.
d. Car- Provision of a Chauffeur driven car for the business purposes of the Company & personal use.
e. Telephone- Telephone facility at residence, personal long distance calls to be paid by Mr. Umesh Talwar.
f. Such other benefits/ amenities and other privileges as may from time to time be available to other executives of the Company and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

III. Other Benefits:

a. Reimbursement of entertainment expenses actually and properly incurred in course of the business of the company.

b. The expenses in connection with the spouse accompanying Vice Chairman & Managing Director while on business tours in India and abroad to be borne by the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter the remuneration and/ or the terms and conditions including the designation of Mr. Umesh Talwar, Vice Chairman and Managing Director in any manner within the permissible limits and from time to time as recommended by the Nomination & Remuneration Committee and deemed fit by the Board in its absolute discretion.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, the remuneration as set above be paid to Mr. Umesh Talwar as minimum remuneration, subject to necessary approval(s), as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be usual, expedient or proper to give effect to the aforesaid resolutions.

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

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) approval and consent of the Company be and is hereby accorded for re-appointment of Mr. Anuj Talwar (DIN: 00628063) as Joint Managing Director (JMD) of the Company as recommended by the Nomination and Remuneration Committee effective for a period of three years commencing from 14th August, 2018, on payment of monthly remuneration along with payment of commission at the end of the financial year with the condition that the total amount of remuneration payable to him with commission does not exceed 5% of the net profit of the company, computed in accordance with the provision of section 198 of the Companies Act, 2013 payable to him during the period his continuance in the office of Joint Mananging Director of the Company.

I. Salary

Particulars	Monthly Remuneration (₹)
Basic Salary	3,40,000
House Rent Allowance	2,38,000
Other Allowances	22,000
Total Salary	**6,00,000**

II. Perquisites & Allowances:

a. Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company.

b. Gratuity – As per rules of the Company.

c. Earned/Privilege Leaves - As per rules of the company. Leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the tenure.

d. Car-Provision of a Chauffeur driven car for the business purposes of the Company & personal use.

e. Telephone - Telephone facility at residence, personal long distance calls to be paid by Mr. Anuj Talwar.

f. Such other benefits/amenities and other privileges as may from time to time be available to other executives of the Company and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

III. Other Benefits:

a. Reimbursement of entertainment expenses actually and properly incurred in course of the business of the company.

b. The expenses in connection with the spouse accompanying the JMD while on business tours in India and abroad to be borne by the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, alter the remuneration and/ or the terms and conditions including the designation of Mr. Anuj Talwar, Joint Managing Director in any manner within the permissible limits and from time to time as recommended by the Nomination & Remuneration Committee and deemed fit by the Board in its absolute discretion.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, the remuneration as set above be paid to Mr. Anuj Talwar as minimum remuneration, subject to necessary approval(s), as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be usual, expedient or proper to give effect to the aforesaid resolutions.

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

RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to renew/ extend Management Fee Agreement for rendering services of Company Secretary

and other management services to Talbros Marugo Rubber Private Limited for a period of five years with effect from 13th February, 2018 to 12th February, 2023 upto maximum amount of ₹ 30.00 Lacs in one financial year.

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

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

   RESOLVED THAT pursuant to the provisions of section 73 and 76 of the Companies Act, 2013 ("the Act") (including any modifications or re-enactments thereof) read with Companies (Acceptance of Deposits) Rules, 2014 and subsequent amendment(s) thereof and other applicable provisions of the Act and rules made thereunder, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to invite/ accept/ renew/ receive money(s) by way of unsecured/ secured deposits, or in any other form, from public and/ or members of the Company from time to time, in any form or manner, through circular/ advertisement or through any other permissible mode, upto permissible limits prescribed under applicable provisions of law and on such terms & conditions as Board of Directors of the Company in its sole discretion may deem fit and necessary.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for such invitation/acceptance/renewal/receipt as aforesaid.

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

   RESOLVED THAT pursuant to section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) appointed as Cost Auditor by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 be paid a remuneration of ₹ 1.75 Lacs plus out of pocket expenses and applicable taxes.

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

Place: New Delhi
Date: 24th May, 2017

Seema Narang
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business mentioned under items no. 5 to 9 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY/ PROXIES MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE COMMENCEMENT OF THE MEETING.**
3. Members are requested to note that pursuant to provision of Section 105 of the Companies Act, 2013 read with the applicable rules thereon, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights.
4. In terms of the requirements of the Secretarial Standards- 2 on "General Meeting" issued by the Institute of Companies Secretaries of India and approved and notified by the Central Government, a route map showing directions to reach the venue of the AGM and attendance slip along with proxy form is annexed to this Notice.
5. Register of Members and Share Transfer Books will remain closed from 19th September, 2017 to 26th September, 2017 (Both days inclusive).
6. Members are once again informed that in terms of Sections 124 & 125 of the Companies Act, 2013, dividends which remain unclaimed / unencashed for periods of 7 years are to be transferred by the Company to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. No claim lies against the Company for unclaimed / unencashed dividend amount, if any, upon transfer.
7. Accordingly, all dividends declared upto 31st March 2009 which remained unclaimed/ unencashed, have already been transferred to the IEPF. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2010 or any subsequent dividend payment(s) are requested to make their claim to the Company. Members who have so far not claimed the unpaid dividend for the year 2009-10 have been notified in this connection.
8. Dividend on Equity Shares for the financial year ended 31st March, 2017, if declared at the Annual General Meeting, shall be paid to those Members whose names (in case of shares held in electronic form) appear as Beneficial Owners as at close of business hours on 18th September 2017 and for shares held in physical form, whose names appear in the Register of Members on the date of the Annual General Meeting.

9. Queries, if any, regarding accounts and operations of the Company may please be sent to the Company Secretary at the Registered Office at least 10 days before the date of the Annual General Meeting so as to enable the Company to keep the information ready at the meeting.

10. Members holding shares in electronics form should get their email IDs updated with their respective Depository Participant so that they can get the copies of correspondence etc. sent by the Company via email.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

12. Details in respect of the Directors seeking appointment/ re- appointment at the Annual General Meeting, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Companies Secretaries of India at item no.3 of the Ordinary Business and item No. 5 & 6 of Special Business are provided in Explanatory Statement.

13 Electronic copy of the Annual Report and the Notice of the 60th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 60th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. Members may also note that the Notice of the 60th Annual General Meeting and the Annual Report will also be available on the Company's website www.talbros.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the email id: seema_narang@talbros.com.

15. Voting through electronic means

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means through e-Voting Services provided by Karvy Computershare Private Limited (Karvy).

    The detailed instructions for voting through electronic means are being sent separately with this Notice along with User- id and password.

    The facility for voting through ballot or polling paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

    The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

16. Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrar and Share Transfer Agents, M/s Karvy Computershare Private Ltd., at the following address:-

    M/s Karvy Computershare Private Ltd.,
    Unit: Talbros Automotive Components Ltd.,
    Karvy Selenium Tower-B, Plot No. 31 & 32,
    Financial District, Gachibowli, Nanakramguda,
    Serilingampally
    Hyderabad 500 008, India
    Email: rajeev.kr@karvy.com

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

Place: New Delhi
Date: 24th May, 2017

Seema Narang
Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 & 6

Mr. Umesh Talwar, aged 67 years, has done B.Com (Hons) from Delhi University and MBA from XLRI, Jamshedpur. He has more than 41 years of rich experience in the automotive components industry. He has been associated with the company since 1977. He is an Executive Committee Member of Automotive Components Manufacturers Association of India (ACMA). He is also on the Board of QH Talbros Private Limited, T and T Multitrading Private Limited, Sunrise Medicare Private Limited, Nippon Leakless Talbros Private Limited.

Mr. Umesh Talwar is one of the Promoters of the Company and has been managing the affairs of the company as its Vice Chairman & Managing Director (VCMD) since 2000. Shareholders of the Company through Postal Ballot dated 7th February, 2015 had approved the re-appointment of Mr. Umesh Talwar as VCMD, not liable to retire by rotation on payment of specified remuneration for a period of 3 years from 1st April, 2015 to 31st March, 2018.

In the 58th Annual General Meeting of the Company held on 25th September, 2015, Mr. Anuj Talwar was re-appointed as Executive Director of the Company for a period of three years w.e.f. 14th August, 2015 to 13th August, 2018. Shareholders of the Company in its meeting held on 26th September, 2016 had increased the remuneration and also changed the designation of Mr. Anuj Talwar to Joint Managing Director (JMD) effective from 1st April, 2016.

The Board of Directors has, subsequent to the approval of Nomination & Remuneration Committee, approved in its meeting held on 24th May, 2017, the remuneration as mentioned in the respective resolution at item no. 5 and 6 as minimum remuneration payable to Mr. Umesh Talwar and Mr. Anuj Talwar for a period of 3 years subject to shareholders' approval.

The shareholders of the Company are requested to approve the re- appointment of Mr. Umesh Talwar and Mr. Anuj Talwar on the remuneration as mentioned in Item No. 5 and 6 of this notice for a period of three years with effect from 1st April, 2018 and 14th August, 2018 respectively to be paid as minimum remuneration in case of loss or inadequacy of profit in any financial year during their tenure.

In order to ensure continuity in payment of remuneration to whole time Directors irrespective of unforeseen volatility in operations/ profitability and as per the requirements of Section – II of Part – II of Schedule V of the Companies Act, 2013 a Special Resolution is also required to be passed for payment of managerial remuneration, therefore consent of members by way of a Special Resolution is sought for payment of remuneration to Mr. Umesh Talwar as VCMD and Mr. Anuj Talwar as JMD of the Company w.e.f. 1st April, 2018 and 14th August, 2018 respectively for a period of three years as detailed in the resolutions at item no. 5 and 6.

The Directors feel that the re-appointment of Mr. Umesh Talwar as VCMD and Mr. Anuj Talwar as JMD will be in the interest of the Company and recommend the Special Resolutions at item no. 5 and 6 of this notice for your approval.

This may also be treated as memorandum pursuant to Section 190 of the Companies Act, 2013.

Mr. Umesh Talwar and Mr. Anuj Talwar hold 431906 and 62851 equity shares of the Company respectively.

Mr. Umesh Talwar and Mr. Anuj Talwar are Directors in the following Companies:

Mr. Umesh Talwar		**Mr. Anuj Talwar**	
Name of the Company	**Date of Appointment**	**Name of the Company**	**Date of Appointment**
QH Talbros Pvt. Ltd.	06-06-2014	T&T Motors Pvt. Ltd.	30-09-2015
T & T Multi Trading Pvt. Ltd.	07-04-2000	Talbros International Pvt. Ltd	30-09-2016
Sunrise Medicare Pvt. Ltd.	04-04-2002	Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	03-02-2012
Nippon Leakless Talbros Pvt. Ltd.	09-03-2005	Talbros Marugo Rubber Pvt. Ltd.	23-08-2012
		Euro Motors Pvt. Ltd.	31-03-2008

Mr. Umesh Talwar is related to Mr. Naresh Talwar being his brother and Mr. Anuj Talwar being his father.

Mr. Anuj Talwar is related to Mr. Umesh Talwar being his father.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Naresh Talwar, being brother of Mr. Umesh Talwar and Mr. Anuj Talwar, being son of Mr. Umesh Talwar, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Umesh Talwar, being father of Mr. Anuj Talwar, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

As required by proviso (iv) of Section – II of Part – II of Schedule – V of the Companies Act, 2013, a statement of information is given below:

(I) General Information:

Nature of Industry	**Manufacturing Auto Components**
Date of commencement of commercial operation	The Company was incorporated on September 08. 1956 and it has started its Commercial production in 1957.

Financial Performance:

(₹ Lakhs)

Financial Parameters	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
Turnover (₹ In Lakhs)	29524.43	29438.74	31083.89	31008.52	32879.61
Net profit as per profit and loss statement	1002.17	1743.57	1307.80	1169.98	1275.85
Amount of dividend paid	148.15	148.15	185.18	185.18	185.18
Rate of dividend declared	12%	12%	15%	15%	15%

Joint Ventures (JV)/ Foreign collaborators, if any	• Nippon Leakless Corporation Japan, (JV with Nippon Leakless Corporation, Japan) • Magneti Marelli Talbros Chassis Systems Private Limited (JV with Sistemi Sospensioni S.p.A, Italy) • Talbros Marugo Rubber Private Limited (JV with Marugo Rubber Industries Ltd, Japan)

II. Information about the appointees:

Name	**Mr. Umesh Talwar**	**Mr. Anuj Talwar**
Background Details	Aged 67 years, Mr. Umesh Talwar has done B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur. He has more than 41 years of experience in the Automotive Components Industry. He has been associated with the Company since 1977. He is one of the Promoters and has been managing the affairs of the company as its Vice Chairman & Managing Director (VCMD) since 2000. Under his leadership the company has received various awards and recognition.	Aged 36 years, Mr. Anuj Talwar is a Bachelor in Business Administration from college of William & Mary, Virgina, USA and Master of Business Administration from Boston University Graduate School of Management. He has been associated with the Company since 2008. He had over 13 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry.
Past remuneration (₹ Per annum)	2014-15 45.85 lacs 2015-16 108.24 lacs 2016-17 108.42 Lacs	2014-15 39.44 lacs 2015-16 38.89 lacs 2016-17 76.31 lacs
Job profile and his suitability	Mr. Umesh Talwar is responsible for day to day management and administration of the Company's operations subject to the superintendence, direction and control of the Board	Mr. Anuj Talwar is responsible for coordinating with Joint Venture Companies, particularly Magneti Marelli Talbros Chassis Systems Private Limited and Talbros Marugo Rubber Private Limited as well as new business developments.
Remuneration proposed	As set out in the explanatory statement for resolution at item no. 5 and 6 of this Notice. The remuneration to VCMD and JMD has been approved by the Remuneration Committee & Board of Directors in the meetings held on 24th May, 2017.	
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	In view of the size of the Company, the qualification and experience of Mr. Umesh Talwar and Mr. Anuj Talwar and the profile being handled by them, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial positions in other Companies in the industry.	

Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Besides, the remuneration proposed, Mr. Umesh Talwar does not have any other pecuniary relationship with the Company. However Mr. Umesh Talwar is related to Mr. Naresh Talwar being his brother and to Mr. Anuj Talwar being his father.	Besides the remuneration proposed, Mr. Anuj Talwar does not have any other pecuniary relationship with the Company. However Mr. Anuj Talwar is related to Mr. Umesh Talwar being his son.
Other information:	N.A.	

DISCLOSURES

The shareholders of the company shall be informed of the remuneration package of the managerial person.	Disclosure of the remuneration package is part of this notice being sent to Shareholders.
The following disclosures shall be mentioned in the Board of Directors report under the heading "Corporate Governance", if any, attached to the annual report:- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors; (ii) Details of fixed component and performance linked incentives along with the performance criteria (iii) Service contracts, notice period, severance fees; (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	All the disclosures as required are mentioned in the Director's Report/ Corporate Governance Report section of the 60th Annual Report to be published for this Annual General Meeting of the Company.

Item No.7

Talbros Marugo Rubber Private Ltd (TMR) is a 50:50 Joint Venture Company between Talbros Automotive Components Limited (TACL) and Marugo Rubber Industries Ltd of Japan and is a related party as per Section 184.

The resolution mentioned at item no.7 of the accompanying Notice is for extension/ renewal of Management Fee Agreement with TMR for rendering services of Company Secretary and other management services to TMR for a period of five years with effect from 13th February, 2018 to 12th February, 2023 upto maximum amount of ₹ 30.00 lacs in one financial year

Your Directors recommend the resolutions at item No. 7 of the Notice for the approval of the Members.

Mr. Varun Talwar, Mr. Vidur Talwar and Mr. Anuj Talwar being common Directors of both the companies may be deemed interested in the proposed resolution.

No other Directors/ Key Managerial Personnel and their relatives are in any way concerned or interested in the above referred resolution.

Item No. 8

The members of the Company in their 59th Annual General Meeting held on 26th September, 2016 had authorised the Board of Directors of the Company to invite/ renew and accept deposits from its Members and/ or Public pursuant to the provisions of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. Consequent to the above said approval of the Members, the Company had issued on 27th September, 2016 an advertisement inviting deposits from the Members/ Public which is valid till 26th September, 2017.

In compliance of the provisions of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, the approval of the Members (Shareholders) by way of Special Resolution is being sought for inviting and accepting/ renewal of unsecured fixed deposits beyond 26th September, 2017.

Your Directors recommend the Special Resolution at item No. 8 of the Notice of Annual General Meeting for the approval of the Members.

None of the directors or Key Managerial Personnel of the Company or their relatives is any way interested in the said resolution except to the extent of amount of Deposit and/or shareholding in the Company, if any.

Item No. 9

Board of Directors of the company, on the recommendation of Audit Committee, in its meeting held on 24th May, 2017 approved re-appointment of M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 00180) as Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year ending 31st March, 2018 on a

remuneration of ₹ 1.75 Lacs plus out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 9 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise, in the resolution set out at item no. 9. The Board recommends this resolution for the approval of shareholders as ordinary resolution.

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

Place: New Delhi
Date: 24th May, 2017

Seema Narang
Company Secretary

ANNEXURE TO EXPLANATORY STATEMENT

Details of Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting (pursuant to SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Name of the Director	Mr. Umesh Talwar	Mr. Anuj Talwar	Mr. Navin Juneja
Date of Birth	29.09.1950	19.12.1980	30.09.1957
Date of Appointment	01.04.2012	14.08.2012	12.11.2010
Qualifications	B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur	Bachelor in Business Administration from College of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management	B.Sc. (Hons.) (Mathematics) & Chartered Accountant (FCA)
Nature of expertise in specific functional areas	41 years of varied experience in the Automotive Components	13 years of rich experience in Corporate Finance, Credit analysis and Auto Industry. He is responsible for coordinating with Joint Venture Compay as well as new business developments.	Advises various companies on financial management and corporate planning. More than 32 years of rich experience in Finance, Accounting and Strategic Planning.
Directorship and Trusteeship in other Companies	1. QH Talbros Pvt. Ltd. 2. T & T Multitrading Pvt. Ltd. 3. Sunrise Medicare Pvt. Ltd. 4. Nippon Leakless Talbros Pvt. Ltd.	1. T&T Motors Pvt. Ltd. 2. Talbros International Pvt. Ltd 3. Magneti Marelli Talbros Chassis Systems Private Limited 4. Talbros Margo Rubber Pvt. Ltd. 5. Euro Motors Pvt. Ltd.	1. Beacon Sales Pvt Ltd. 2. Sunrise Medicare Pvt Ltd. 3. Talbros Realtors Pvt Ltd. 4. Talbros International Pvt. Ltd. 5. Riverston Pooja Talwar Education Pvt. Ltd
Members of Committees of other Companies	1	0	0
No. of shares held	431906	62851	1353

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 60th Annual Report of your company on the business and operations of the Company alongwith Audited Accounts and the Auditors' Report thereon for the Financial Year ended 31st March, 2017.

Financial Highlights:

(₹ in lacs)

Particulars:	Year Ended March 31, 2017	Year Ended March 31, 2016*
Net Revenue from Operations	32,879.61	31008.52
Profit before Interest and Depreciation	4,082.39	4032.15
Less : Interest	1,575.15	1662.48
Depreciation	1,231.39	1199.68
Profit before Tax before Exceptional Item	**1,275.85**	**1169.98**
Exceptional Item	**0.00**	**0.00**
Profit before Tax and after Exceptional Item	**1,275.85**	**1,169.98**
Less: Provision for Taxation	288.40	232.00
Provision for Deferred Tax	38.63	358.38
MAT Credit Entitlement	-	(232.00)
Less: (Excess)/Short provision of tax for earlier years written back/provided	(95.68)	(6.88)
Profit after Tax	**1,044.50**	**818.48**
Add: Balance Brought forward from last year	6297.48	5,751.88
Profit available for appropriations	**7,341.98**	**6,570.36**
Appropriations:		
Proposed Dividend	185.18	185.18
Tax on Dividend	37.70	37.70
Transfer to General Reserve	50.00	50.00
Balance carried forward	7,069.10	6,297.48
Total	**7,341.98**	**6,570.36**

* The previous year's figures in the above table have been regrouped where ever necessary.

FINANCIAL REVIEW

Financial year 2016-17 was marked by couple of major events (Demonetization in India and implementation of Bharat Standard VI norms). These along with the diesel ban of 2000 CC above hugely impacted the automotive industry. The auto industry for the last year grew at 5% while the last quarter was a negative at 0.19%.

During the Financial Year 2016-17 your Company on standalone basis has recorded a turnover of Rs. 328 crores, higher by approximately 6% as compared to last Financial Year 2015-16 with turnover of Rs. 310 crores. Profit after tax (PAT) for the Company was at Rs. 10 crores, higher by approximately 27% as compared to PAT of Rs. 8 crores in previous year 2015-16.

The JV Company Nippon Leakless Talbros Private Limited (LTL) recorded a turnover of Rs. 108 crores, higher by approximately 4% as compared to last Financial Year 2015-16 with turnover of Rs. 103 crores. PAT of LTL was at Rs. 12 crores, higher by approximately 11% as compared to PAT of Rs. 11 crores in previous year 2015-16.

The JV Company Magneti Marelli Talbros Chassis Systems Private Limited (MMT) has witnessed its best ever performance in the financial year under review and continues to bring momentum and work towards expanding its portfolio to OEMs with the leading client being Maruti Suzuki India Limited. This JV Company saw a 40% revenue growth during this financial year because of higher volumes. The Company also achieved the highest margin in this business in the last quarter of this financial year. MMT has recorded a turnover of Rs. 85 crores, higher by approximately 40% as compared to last Financial Year 2015-16 with turnover of Rs. 61 crores. PAT of MMT was at Rs. 1 crores as compared to loss of Rs. 4 crores in previous year 2015-16.

TalbrosMarugo Rubber Private Limited (TMR), another JV Company has recorded a turnover of Rs. 30 crores, higher by approximately 47% as compared to last Financial Year 2015-16 of Rs. 20 crores.

During the financial year 2016-17 turnover of your Company after consolidation with proportionate shares in JV companies was Rs. 428 crores, higher by approximately 9% as compared to last Financial Year 2015-16 of Rs. 391 crores. PAT for the Company on consolidated basis was at Rs. 15 crores, higher by approximately 61% as compared to PAT of Rs. 9 crores in previous year 2015-16

NEW INITIATIVES

In the gasket business, the focus is going to be on Original Equipment Manufacturing (OEMs) business both domestically and globally, as there is a huge market for exports. The Company has also targeted new countries like Turkey, USA and Japan and is exporting to them.

Your Company has also taken another initiative by strengthening our relationship with our technical partners Sanwa Packing Industries Limited, Japan for two new product i.e.Heat Shield which is within the gasket product line and manufacture of gaskets using post coatings technology which will start in October this year. Your Company hopes to achieve a business of Rs. 20 crores from these two products in next couple of years.

The Forging Division in addition to capturing the agri market has forayed into global OE car segment and is in talks with a large two wheller manufacturer for its forging requirements. With a view to diversify its geographic risks, new customers have been approached. We are focused on enhancing our internal efficiencies and leverage on our technological know-how to supply best in class products to our customers. The revenues from Forging division stood at Rs. 71 crores in the year under review against revenues of Rs. 62 crores during previous year.

As part of its constant endeavour to reduce costs and improve profitability, your Company has decided on partial strategic disinvestment of its non-core materials business assets at its Sohna Plant. The non-core material business assets at Sohna Plant will be sold to the Indian affiliate of M/s. Interface Performance Materials, USA who are pioneers and leaders of gaskets materials worldwide.

This disinvestment will help the Company to achieve two important things:

- Enable Company to source materials locally leading to faster turnaround time in executing client orders which will result in reduction of imports by 15%, thereby, reducing the working capital requirements and the exposure to foreign exchange fluctuations.
- The total savings expected to accrue from the strategic disinvestment will be in the range of Rs. 7-10 Million per annum. The savings in operational costs, reduction in raw material inventory and working capital investments will reduce the interest burden and therefore, enhance the profitability of the Company.

The JV Company Nippon Leakless Talbros Private Limited (LTL) has been exploring various options to increase its presence in two wheeler gasket business. LTL has been constantly developing gaskets for new models to be launched by Hero, Honda & Yamaha in the coming financial year.

LTL is in constant touch with Toyota to develop gaskets for its four wheeler and it is expected that mass production will be started in the month of September 2017.

The second JV Company Magneti Marelli Talbros Chassis Systems Pvt Ltd (MMT) is trying to enter higher value- added products such as the front axle and is in talks with Maruti Suzuki India Limited on the same and also on of expanding its range of products with them. MMT is enjoying the bull run with Maruti because they are supplying to their fast moving models such as Baleno, Breeza which are doing very well and has also secured a large order from Jaguar Land Rover.

Talbros Marugo Rubber Private Limited (TMR), the third JV Company is also on the right track. They are increasing their customer profile and looking very aggressively on exports as well. TMR has also received new business from Honda and Daimler for hanger and anti-vibration parts.

FUTURE OUTLOOK

India has emerged as one of the fastest growing economies in recent times. The Indian economy is expected to embark on higher economic growth trajectory in FY 18 owing to proactive measures taken by the government as well as favorable economic conditions expected to prevail during the course of the year. The main driving forces in FY 18 would be increased government spending in infrastructure, pick up in private investment, good monsoon, expected surge in consumer spending with pent up demand being satiated. The Goods and Services Tax (GST), which is likely to be implemented from July 1, 2017, has potential to spur the economy further. The economic outlook of the Indian economy looks positive with the country expected to grow at more than 7.5% in FY 18 before moving past the 8% trajectory in FY 19. Certain threats, however, prevail in terms of upside risk to inflation, increasing global commodity prices especially crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating rupee and uncertain global economic conditions. Globally, protectionism adopted by the US and higher interest rates by the Fed, revival in European countries and higher growth in China causing diversion of funds from India could counter the prospective growth story of the country.

The long-term outlook remains positive for the automotive industry with all major global players having a base in India for manufacturing, global sourcing. Correction in fuel prices and lower finance cost should further add domestic growth in the short to medium term. Regular product launches planned by OEMs will keep customer excitement levels up and create demand and is favourable for overall industry growth.

The future outlook of your Company remains positive as your Company along with its Joint Venture Companies is actively working on both the strategic front and the operations front to take advantage of the turning trends which includes Research and Development, improving operational performances, focus on quality, broadening the customer base etc.

DIVIDEND & TRANSFER TO RESERVES

Your Directors are pleased to recommend 15% dividend for the year 2016-17 subject to the approval of members at the ensuing Annual General Meeting. The total outgo on account of dividend (including Dividend Distribution Tax) for the financial year 2016-17 will be ₹ 222.88 lacs. Also the Directors have proposed to transfer an amount of ₹ 50.00 lacs to General Reserve.

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

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2008-09 amount aggregating to ₹ 96,323/- was transferred to the "Investor Education and Protection Fund" established by the Central Government.

The Company shall transfer the unclaimed dividend for the year 2009-10 to Investor Education and Protection Fund on or before 19th August, 2017 upon completion of 7 years from the date of transfer of said dividend into the Unclaimed Dividend Account in compliance with the provisions of Section 125 of the Companies Act, 2013.

The shareholders who have not encashed their dividend warrants for the financial year 2009-10 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is specifically intimating those members who have so far not claimed the unpaid dividend for the year 2009-10.

SHARE CAPITAL

The paid up capital of the company as on 31st March, 2017 was ₹ 1,234.563 lacs. During the year under review, the company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently no change in the capital structure since previous year.

FIXED DEPOSIT SCHEME

The Fixed Deposit Scheme of the Company continued during the year. The total amount outstanding as on 31st March, 2017 stands at Rs. 8.26 crores.

BOARD MEETINGS

During the financial year ended 31st March 2017 five (5) meetings of the Board of Directors were held on the following dates:

- 21st May, 2016
- 15th June, 2016
- 10th August, 2016
- 14th November, 2016
- 14th February, 2017

The gap between any two meetings was not more than 120 days as mandated under the provisions of Section 173 of the Companies Act, 2013.

DIRECTORS

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

No Director resigned from the Company during the reporting period.

KEY MANAGERIAL PERSONNEL

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

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

During the year, Mr. Naveen Gupta resigned from the position of Chief Financial Officer w.e.f 14.06.2016.

All directors, key managerial personnel and senior management have confirmed to comply with the company's Code of conduct.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;

b) That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2017;

c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That Directors have prepared the annual accounts on a going concern basis;

e) That the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

f) That Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER SECTION 149(6)

The independent Directors have confirmed and declared that they fulfill the criteria of independence as per the provisions of Section 149(6) of the Companies Act 2013 and are not disqualified to act as an Independent Director. The Board is also of the opinion the Independent Directors fulfill the independence requirement in strict sense and are eligible to continue as independent Directors of the company.

DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Companies Act 2013 and the Articles of Association of the company Mr. Navin Juneja (DIN 00094520) retire by rotation and being eligible offer himself for re-appointment.

Details of the proposal for his re-appointment are mentioned in the explanatory statement annexed to the notice of the 60th Annual General Meeting. The board recommends his re-appointment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

AUDIT COMMITTEE

The Audit Committee held five (5) meetings during the year. The members of the Audit Committee are:-

Name of Director		Category
Mr. V. Mohan	Chairman	Independent Director
Mr. Anil Kumar Mehra	Member	Independent Director
Mr. Rajive Sawhney	Member	Independent Director
Mr. Amit Burman	Member	Independent Director
Mr. Vidur Talwar	Member	Non- Executive Director
Mr. Anuj Talwar	Member	Executive Director

The Chief Financial Officer, Statutory Auditors and the Internal Auditor of the Company are permanent invitees to the meetings of the Audit Committee. It is a practice of the Committee to extend an invitation to Cost Auditor to attend the meeting as and when required.

Mrs. Seema Narang, Company Secretary, is the Secretary of the Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under the listing SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, MD&A is enclosed as **Annexure I** and is part of this Report.

RELATED PARTY DISCLOSURES

Related party transactions are reviewed and approved by Audit committee and are also placed before the Board for necessary approval. The Company has developed standard operating procedures for the purpose of identification and monitoring of such transactions.

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

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arms' length basis and in accordance with the shareholders' approval by way of special resolution. During the year, Company had not entered into any contract/ arrangement/ transactions with related parties which could be considered material in accordance with the related party transaction policy of the Company.

The board has approved policy for related party transactions in terms of provision of Regulation 23 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 which is available on company's website at following link: http://www.talbros.com/investors/investor-corporate/related-party-policy/

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

INTERNAL FINANCIAL CONTROL

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

Company has appointed M/s. Mazars Advisory Private Limited for carrying out the assignment of Internal Control over Financial Reporting.

REMUNERATION POLICY & BOARD EVALUATION

The Board on the recommendation of the Nomination & Remuneration Committee for selections and appointments of Directors, senior management and decides their remuneration, after reviewing their qualifications, positive attributes, independence of directors, board diversity. Remuneration Policy of the company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The criteria for performance evaluation of directors cover the areas relevant to their functioning as member of Board or its Committees thereof. The manner in which the performance evaluation of the board and its committees thereof, the chairman and the directors individually has been carried out has been explained in the Corporate Governance Report.

CORPORATE GOVERNANCE

A Certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance as per the requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is enclosed as part of Corporate Governance Report.

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

RISK MANAGEMENT POLICY

Risk management forms an integral part of management policy and is an ongoing process integrated with operations.

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

and lays down the procedure for minimization of the risks.

Company has identified various strategic, operational and financial risks which may impact company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the company.

VIGIL MECHANISM

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established.

Details of establishment of vigil mechanism/ whistle blower are disclosed in the Corporate Governance Report.

The policy on vigil mechanism is available on company's website at www.talbros.com.

During the year under review, no employee was denied access to the Audit Committee.

LISTING OF SHARES

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

CORPORATE SOCIAL RESPONSIBILITY

Talbros Automotive Components Ltd. (TACL) has formulated Corporate Social Responsibility (CSR) policy which encompasses its philosophy and guides its sustained efforts for supporting socially useful programs for welfare and sustainable development of the weaker sections of the society specially the children and contributed to Savera Association, Talwar Foundation, Roshni Education Society, Dhanpatmal Virmani Education Trust & Management Society and other NGO committed for attending to education and nutrition needs of the under privileged children.

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

AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. S. N. Dhawan & Co., (Firm registration No.000050N). Chartered Accountants have been holding the office of statutory auditors of Company since 2001 and thus they have already completed two consecutive terms of five consecutive years. The present statutory auditors hold office till the conclusion of the forthcoming AGM and would retire at the conclusion of the said meeting and would not be eligible for reappointment.

M/s. CMRS & Associates, Chartered Accountant, Branch Auditor for Pune Plant hold office until the conclusion of the ensuing Annual General Meeting of the Company and would retire at the conclusion of the said meeting and would not be eligible for reappointment.

In accordance with the provisions of Section 139 of the Act,M/s. J C Bhalla & Co (JCB) have been recommended to be the new Statutory Auditors and M/s. A. R. Sulakhe& Co, Chartered Accountant, Pune to conduct the audit of the Pune Plant of the Company for a term of five years as recommended by Audit Committee of the Company and subject to shareholders' approval in the ensuing Annual General Meeting of the Company

All observations made in the Auditors' Report and notes to the accounts are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification or adverse remarks.

Secretarial Auditors

The Board has re-appointed Mrs. Kiran Sharma (membership no. 4942 & certificate of practice no. 3116) a practicing Company Secretary for carrying out secretarial audit in terms of the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18.

Secretarial audit report for the financial year ended 31st March 2017 as provided by M/s. Kiran Sharma & Associates, Practicing Company Secretary is annexed to this Report as **Annexure IV**. The report does not contain any qualification or adverse remarks.

Cost Auditors

The Board of Directors, on recommendation of the Audit Committee, has re-appointed M/s Vijendra Sharma & Co., Cost accountants (Firm Registration No. 00180) as Cost Auditors of the Company, for the Financial Year 2017-18 for conducting the audit of the cost records maintained by the Company subject to the ratification of the remuneration to be paid to the Cost Auditor by the shareholders in ensuing Annual General Meeting.

A certificate from them has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and rules framed there under.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures as on 31st March, 2017 in Form AOC-1 is annexed to this Report as **Annexure V**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, statement showing particulars with respect to Conservation of Energy, Technology Absorption and

Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure VI** and form part of this report.

PARTICULARS OF EMPLOYEES AND RATIO OF DIRECTOR REMUNERATION TO MEDIAN EMPLOYEES' REMUNERATION

There is no employee drawing salary above the limits prescribed under Section 197(12).Hence there is no information required as provided under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report **Annexure -VII**.

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

EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form MGT-9 is enclosed as a part of this report in compliance with Section 134(3) of the Companies Act, 2013 as **Annexure VIII.**

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Umesh Talwar
Vice Chairman & Managing Director

Anuj Talwar
Joint Managing Director

Place: New Delhi
Date: May 24, 2017

Annexure I

MANAGEMENT'S DISCUSSION & ANALYSIS
ECONOMIC SCENARIO

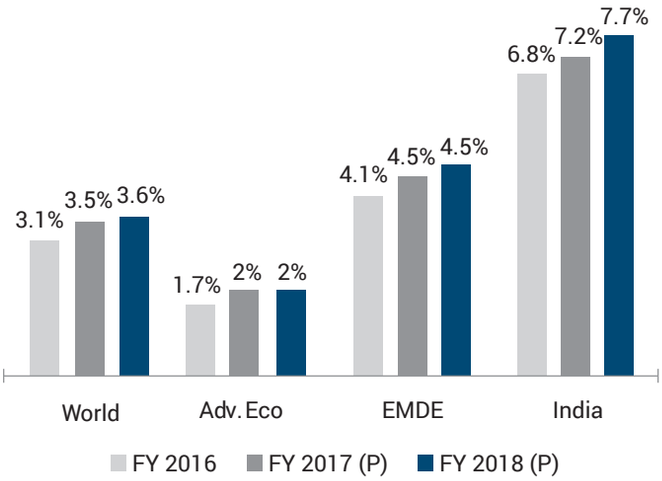
Global Economy

As per IMF's report, "World Economic Outlook" published on April 2017, steady rise in global economic activity is projected for the year 2017 and 2018 due to cyclical recovery in investment, manufacturing, and trade. The projected global growth rate for 2017 and 2018 is 3.5% and 3.6% respectively as against 3.1% in 2016. The key driving factors of growth will be favourable deflationary measures, boost in demand and agreed restrictions on oil supply.

Currently, advance economies such as U.S. is in the phase of fiscal expansion and deregulation and are expected to grow by 2.3%. But the growth in European countries is expected to remain at 1.7%, due to slow economic revival and uncertainty about the European Union's future relationship with the United Kingdom. In 2017, United Kingdom is projected to grow by 2.0% and Japan is likely to grow by 1.2% supported by stronger-than-expected net exports.

Developing countries and emerging markets will continue to perform better and will navigate the global markets. In China, market scenario is resilient and continued policy support is expected, it is expected to grow by 6.6% in the year 2017 whereas Russia is projected to grow by 1.4%. In India, growth is forecasted at 7.2% provisioning the impact of the currency exchange initiative; medium term growth is promising with 8% resulting from implementation of key reforms, ease of supply-side impediments and appropriate fiscal & monetary policies.

Exhibit 1: GDP Growth in Economy (%)



Source: World Economic Outlook April 2017, IMF

Indian Economy

Globally, India remains one of the fastest growing economies in terms of GDP growth. As per IMF, the real GDP increased to 7.9% in 2016 from 7.2% in 2015. The projected GDP growth for 2017 is 7.1%. Indian economy is expected to grow strong due to the response gained from deep structural reforms initiated and implemented by Indian Government and strong aggregated demand. This includes approval of Goods & Service Tax (GST), which will significantly enhance the efficiency in taxation and aid businesses by converting India into a one common market place. GST is expected to be implemented by 1st July 2017.

As a push to the economy, the Government of India has committed to allocate financial resources of Rs. 39.6 lakh crore for the infrastructure development and Rs. 10 lakh crore for boosting the agricultural sector, which is directly correlated to overall economic development, leading to holistic growth.

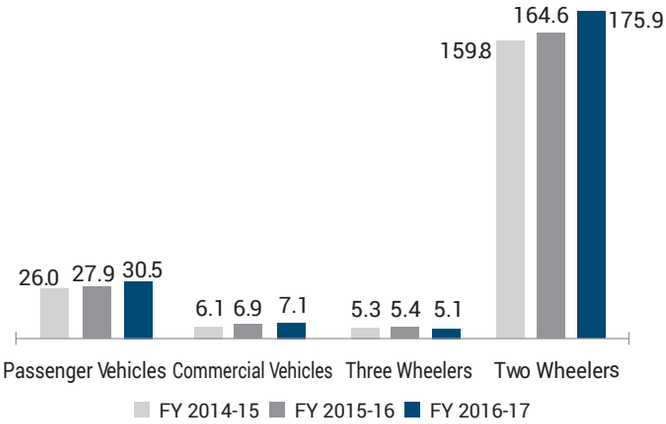
On the political front, the government gained major triumph in a number of state elections, including the country's most densely populated state Uttar Pradesh. Market reaction to this was positive, with the SENSEX closing at 29,000 on a two-year high on 14th March, 2017 and the rupee strengthening to 66.14.

The cause of concern for India is its banking system, which is still dealing with a large amount of Non-performing assets in their books and also heightened corporate vulnerabilities in several key sectors of the economy.

Automobile Industry Structure and Development

The global auto market remained mute for the year under review, whereas India produced positive digit growth numbers. According to SIAM, total production of Indian auto industry stood at 2,53,16,044 vehicles which includes passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle for 2016 against 2,40,16,599 in the year 2015, registering the growth of 5.41%. The automotive sector in India, comprising the automobile and auto component sub-sectors, is one of the key segments of the economy having 7.1% contribution to India's GDP. As per SIAM Report 2016, the downward growth was observed in overall automobile exports by 4.50%. Exports of Passenger Vehicles and Commercial Vehicles marked the growth of 16.20% and 4.99% respectively. Exports of Three Wheelers and Two Wheelers declined by 32.77% and 5.78% respectively.

Exhibit 2: Domestic Automobile Sales Break-up in Rs Lakhs



Source: SIAM

Due to cut-throat competition in terms of technology up gradations and innovations, OEMs are investing in research and development facilities set-ups in India. Almost all Indian OEMs have launched several new models out of which a few can be considered as cutting edge next generation models with high technological innovations.

With the implementation of BS- VI norms, the OEMs are gearing up with Powertrain models and different technologies and fuel strategies that will help Internal Combustion Engine (ICE) optimization to meet fuel efficiency standards. OEMs in India are expected to have pro petrol and hybrid, diesel neutral approaches towards BS VI compliance.

It came as a big surprise to not only car manufacturers but also consumers when the National Green Tribunal (NGT) directed central and state governments to stop registering 10 year old diesel vehicles in the Delhi NCR region.

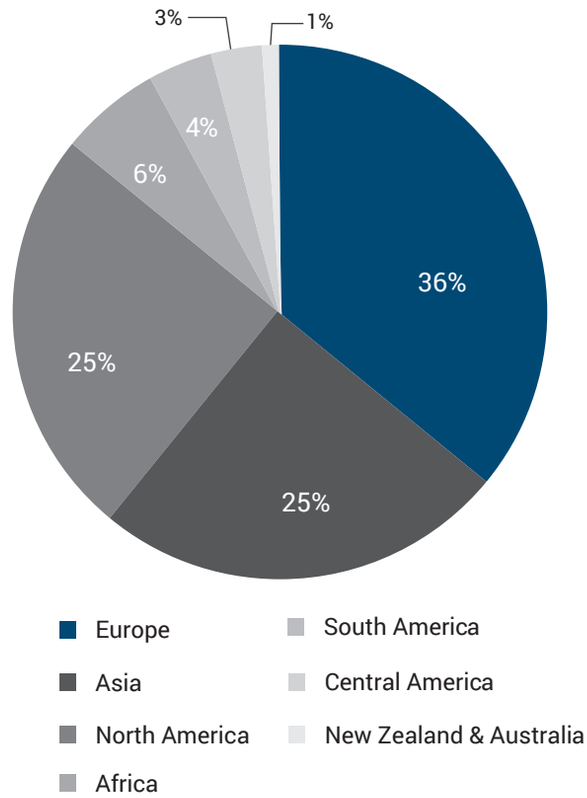
India has raised the bar when it comes to meeting safety standards. As per the Central Motor Vehicle Regulations (CMVR) that is set out by the Automotive Research Association of India (ARAI), crash tests will come into regulation from 1stOctober 2017, for all new car models. This means that any car launched post-1st October, 2017, will have to be certified in crash tests and will have to meet a defined standard. Existing car models will also have to meet the standards by 1st October, 2019. Every car sold in India will have to undergo a crash test certification which means some existing models may need to be upgraded. ABS and Airbags too will be made mandatory in India and would come into application by 1st October 2020.

The Union Cabinet finally approved the much debated Motor Vehicles (Amendment) Bill 2016 which proposed laws for road and vehicular safety to be more stringent. With the approval of this bill, the amendment will take place and will change laws and norms which will help in reducing accidents and road fatalities, currently highest in India.

Indian Auto Component Industry

India is emerging as global hub for auto component sourcing. Indian auto component industry is moving forward to integrate with global supply chains by offering competitive engineering solutions. Auto components manufacturing base in India keeps costs lower by 10-25% relative to manufacturing in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture a specific segment of components and Indian facilities to manufacture the other components.

Exhibit 3: Global Auto Components Export Share (%)



Source: ACMATechSci Research

Opportunities & Threats Opportunities

Make in India: The incumbent government's 'Make in India' initiative has paved way for many foreign automobile manufacturers to source models from India and export them to other locations across the world.

Favourable government policies: The government policies like 'Make in India' initiative, Auto Policy 2002, Automotive Mission Plan 2006-2016, National Automotive Testing and R&D Infrastructure Projects (NATRiPs), have helped the Indian auto

components industry in achieving considerable growth in the recent years and would also continue to drive the growth.

High Access to Technology through JV's and R&D: As India has become a global outsourcing hub for manufacturing of automotive components the companies are renewing technology, continuously investing in R&D and forming JV's with global companies to boost their share of exports.

Threats

Global competition – Both India and China hold the major growth prospects for industries and amongst them China is a strong competitor for offering frugal engineering solutions globally.

Slowdown in European Markets – Decline of demand in European countries due to slow economic revival has led to a decrease demand for auto components.

Technology Advancement – Indian auto-component manufacturers have to catch-up the pace of implementing advanced technology innovations.

Oil prices – Oil prices have direct impact on the automotive industry. Any increase in price will lead to increased cost for OEMs.

Outlook

The growth momentum of the Indian economy will continue in the coming years. The government's thrust on the development of infrastructure, employment generation, implementation of GST and Make in India are the main drivers for the growth of Indian auto component companies.

The Automotive Mission Plan 2006-2016 (AMP) will add a fuel to the growth of the sector. As per the estimation of the AMP, the sector will create more than 60 million additional jobs and also the current output will increase 3 times by the end of 2026.

Your Company has continued its impetus on process improvements, enhancing productivity and quality and skill-development of its workforce.

Internal Control Systems

The Company has in place adequate internal control system and procedures commensurate with the size and nature of business. These procedures are designed to ensure that:

- All assets and resources are acquired economically, used efficiently and are adequately protected;
- Significant financial, managerial and operating information is accurate, reliable and is provided timely and;
- All internal policies and statutory guidelines are complied with.

The Company follows a strong system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported quickly. It reviews the adequacy of internal control systems from time-to-time. The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability towards assets. The Audit Committee meets periodically to review the findings of internal and statutory auditors' reports and advise the management on corrective policies and controls to be adopted by the Company, consistent with the organizational requirements. A VCMD and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same.

Financial Highlights:

For the Financial Year 2016-17, the Company on consolidation basis has recorded a turnover of Rs. 428 crores, higher by more than 9% as compared to last Financial Year 2015-16 with turnover of Rs. 392 crores. Profit after tax (PAT) for the Company on consolidation basis was at Rs. 15.72 crores, higher by approximately 62% as compared to PAT of Rs. 9.71 crores in previous year 2015-16.

Health, Safety, Security Environment

Your Company is 100% asbestos-free. Besides demonstrating environmental awareness and qualifying asa supplier to global automakers, it also provides a healthier environment in the manufacturing facilities. The company is concerned about the occupational health and safety of its workers and staff and periodic health check-up camps are organized. Regular training is imparted at all levels. Company's main plant at Faridabad is ISO 14001 and OHSAS 18001 certified for Environmental Health & Safety issues.

Human Resources/ Industrial Relations

The Company believes in the ability of our people to enable business transformation. A vital role was played in equipping employees with the right skills and capabilities for today; and developing them for tomorrow. The company maintains open communication channels with workforce and keeps them engaged with its objectives towards attainment of healthy employer-employee relationship. The Company follows different programs for the development of skills among employees at different levels. Employees have also contributed significantly towards various cost saving initiatives in different areas. Industrial relations at the offices and all plants continued to be cordial.

Form No. AOC-2

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

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

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

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

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

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
QH Talbros Private Limited (Associate Company)	Agreement for sale of Company's products.	01.04.2017 to 31.03.2020	Maximum amount of sale upto ₹24.00 Crores in one financial year.	21.05.2016	Nil
QH Talbros Private Limited (Associate Company)	Trademark License Agreement	01.04.2014 to 31.03.2023	1% of gross replacement sales for its trademark & distribution network in each financial year during the period of contract.	26.05.2014	Nil
Nippon Leakless Talbros Private Limited (Joint Venture Company)	Purchase and/ or Sale Agreement of Tyre Sealant and other production inputs.	01.04.2017 to 31.03.2020	Maximum amount of sale upto ₹4.00 Crores in one financial year.	21.05.2016	Nil
Nippon Leakless Talbros Private Limited (Joint Venture Company)	Sale/ Purchase Agreement of gaskets to each other.	01.04.2017 to 31.03.2020	Maximum amount of sale upto ₹2.00 Crores in one financial year.	21.05.2016	Nil
Talbros Marugo Rubber Private Limited (Joint Venture Company)	Management Fee Agreement	13.02.2018 to 12.02.2023	₹ 30.00 Lacs p.a	24.05.2017	Nil
Magneti Marelli Talbros Chassis Systems Private Limited (Joint Venture Company)	Lease Agreement	14.03.2017 to 13.03.2022	Renewal of agreement for a period of 5 years w.e.f. 14.03.2017 to 13.03.2022 on same terms and conditions.	14.02.2017	Nil
Magneti Marelli Talbros Chassis Systems Private Limited (Joint Venture Company)	Dispatch Agreement	15.05.2016 to 14.05.2018	To provide the services of Qualified Company Secretary to JV Company.	21.05.2016	Nil
Mrs. Kum Kum Talwar (Relative of key managerial personnel)	Rent Agreement	01.10.2016 to 30.09.2019	₹ 10.00 Lacs per annum	14.11.2016	Nil

Umesh Talwar
Vice Chairman & Managing Director

Anuj Talwar
Joint Managing Director

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	CSR activities of Talbros is focused to:
		• Promote employment enhancing vocational skills for employability of youth.
		• Sustain efforts for supporting socially useful programs for welfare and sustainable development of the weaker sections of the society especially the children.
		• Any other project or aid which the committee considers suitable for the welfare of society or humanity at large, within the purview of Schedule VII(Section 135) or as authorized by Government.
		Talbros Automotive Components Limited's CSR Policy is in compliance with the provisions of Companies Act, 2013.
		The brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken are placed on the Company's website www.talbros.com/csr-policy
2.	The composition of the CSR Committee.	Mr. Umesh Talwar, Chairman
		Mr. Amit Burman, Independent Director
		Mr. Navin Juneja, Director and Group CFO
3.	Average net profit of the company for last three financial years.	₹ 9,41,36,859.33
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 18,82,737.19
5.	Details of CSR spent during the financial year:	
	(a) Total amount spent for the financial year	None
	(b) Amount unspent, if any	₹ 18,85,000.00
	(c) Manner in which the amount spent during the financial year	Detailed below

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Srl No	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs (1) Local area or other (2)Specify the State and district where projects or programs were undertaken.**	**Amount outlay (budget) project or programs wise (₹)**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)**	**Cumulative Expenditure up to the reporting period (₹)**	**Amount Spent Direct or through implementing agency* (₹)**
1.	Dhanpatmal Virmani Education Trust & Management Society	Children Education & Women Empowerment	Roop Nagar, Delhi- 110007	3,50,000/-	3,50,000/-	3,50,000/-	Implementing Agency- Dhanpatmal Virmani Education Trust & Management Society
2.	Savera Association (Children's Education &Healthcare)	Children Education &Healthcare	Basti Vikas Kendra, G Block, Sriniwaspuri, Delhi-110065	1,35,000/-	1,35,000/-	1,35,000/-	Implementing Agency- Savera Association
3.	Talwar Foundation	Children Education & Women Empowerment	1006, Akashdeep Building 26A, Barakhamba Road, Connaught Place New Delhi-110006	7,50,000/-	7,50,000/-	7,50,000/-	Implementing Agency- Talwar Foundation
4.	Madras Esplande Round Table 30 Trusts	Children Education	Shanti Niketan AK 106, New No. AK24 Shanthi Colony 10th Main Road, Anna Nagar, Chennai-600 040	1,50,000/-	1,50,000/-	1,50,000/-	Implementing Agency- Madras Esplande Round Table 30 Trusts
5.	Roshini Education Society	Children Education	Sheetal Enclave Phase-III Mata Road, Gurgaon-122001	3,50,000/-	3,50,000/-	3,50,000/-	Implementing Agency-Roshini Education Society
6.	Dukh Bhanjan Trust	Healthcare	126, Sunder Nagar New Delhi- 110003	1,50,000/-	1,50,000/-	1,50,000/-	Implementing Agency-Dukh Bhanjan Trust
			TOTAL			**18,85,000/-**	

Umesh Talwar
Vice Chairman & Managing Director

Anuj Talwar
Joint Managing Director

Annexure IV

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

To,
The Members,
TALBROS AUTOMOTIVE COMPONENTS LIMITED
14/1, DELHI MATHURA ROAD, P.O. AMAR NAGAR
FARIDABAD, HARYANA- 121003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TALBROS AUTOMOTIVE COMPONENTS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the TALBROS AUTOMOTIVE COMPONENTS LIMITED 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 31.03.2017 Complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TALBROS AUTOMOTIVE COMPONENTS LIMITED for the financial year ended on 31.03.2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015*;

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

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

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

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

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

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

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

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

(ii) The Listing Agreements entered into by the Company with NSE & BSE;

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I/ we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable labor, environmental and industrial laws, rules, regulations and guidelines.

I further report that during the audit period:
There were no instance of:

a. public/ right/ preferential issue of shares/ debentures/ sweat equity etc.

b. redemption/ buy-back of securities.

c. Major decisions taken by the members in pursuance to Section 180 of Companies Act, 2013.

d. Merger/ Amalgamation/ reconstruction etc.

KIRAN SHARMA
Practing Company Secretary
FCS No. 4942
C P No. 3116

Place: New Delhi
Date:19.05.2017

Annexure V

Form AOC-1

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

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

Part "B": Associates and Joint Ventures

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

S I . No.	Name of Associate/Joint Ventures	Joint Ventures			Associates	
		Nippon Leakless Talbros Pvt Ltd.	Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Talbros Marugo Rubber Pvt. Ltd.	QH Talbros Pvt. Ltd.	Talbros International Pvt. Ltd.
1	**Latest Audited Balance Sheet date**	31.03.2017	31.03.2017	31.03.2017	31.03.2016	31.03.2016
2	**Details of Associates/Joint Ventures where shares held by the Company**					
	Total shares issued by the Associates/ Joint Venture	12000000	23560000	17000002	30,50,000	70,38,211
	Number of shares held by the company	4800000	11780000	8500000	1,77,962	11,67,101
	Amount of Investment in Associates/ Joint Venture (in INR)	4,80,00,000	11,78,00,000	8,50,00,000	32,45,680	3,75,00,332
	Extend of Holding % in the Associates/ Joint Venture	40%	50%	50% less one share	5.83%	16.58%
3	**Description of how there is significant influence**	Joint Venture			No Significant influence	
4	**Reason why the associate/joint venture is not consolidated**	Consolidated			Shareholding is less than the threshold limit for Consolidation.	
5	**Net worth attributable to Shareholding as per latest audited Balance Sheet (in ₹)**	16,78,93,591	7,61,59,943	5,90,71,179	4,43,23,022	6,28,24,951
6	**Profit/Loss for the year After Tax (in ₹)**	12,54,98,485	1,65,58,171	(1,13,62,576)	12,27,94,544	4,63,72,052
i.	Considered in consolidation	5,01,99,394	82,79,086	(56,81,288)	-	-
ii.	Not considered in consolidation	7,52,99,091	82,79,086	(56,81,288)	-	-

Annexure VI

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

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

A) Conservation of energy

i) The steps taken and/or impact on conservation of energy

- Heater Connection was found in Star connection due to which load was unbalanced and consumption was high. All Heaters are connected to Delta connection now.
  - Saving = 32000 Units/year
- Light & Fans were either operated directly from machine or centrally controlled (Wastage of Power) Individual switches are provided for particular Light & Fan
  - Saving = 6400 Units/Year
- Compressed air line modification done, which gave very effective results.
  - Saving = 127200 units/Year

ii) Steps taken by the company for utilizing alternate sources of energy

- Proposed to replace high energy wastage machines (energy waste is due to poor engineering design & old electric motors) such as C 200 oven, 500 ton press power pack, big rolling mill motor etc.
- Conventional lights proposed to be replaced with LED lights.
- Motion sensors to be provided in toilets & idle areas.
- Rubber moulding machines, Moulds preheating platform to be made.

iii) The capital investment on energy conservation equipments

₹ 30.00 lacs for F.Y. 2017-18.

B) Technology absorption

i) The efforts made towards technology absorption

- Developing Post Coating Technology with Sanwa Packing Industry of Japan through Technical Assistance Agreement.
- Developing Heat Shield Technologies with Sanwa Packing Industry of Japan through Technical Assistance Agreement.
- Installed state of the art heat shield manufacturing facility.
- Developing high performance sealing technologies and materials to meet the requirement of new generation BS VI engines.

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

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

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

(i) The details of technology imported - Technology for Manufacture of Heat-Shield

(ii) The year of import - 2011

(iii) Whether the technology been fully absorbed – As our Heat Shield project has been set up, the technology absorption is happening.

(iv) If not fully absorbed areas where absorption has not taken place and the reasons thereof, and - NA

(v) the expenditure incurred on Research and Development - ₹ 159.27 Lacs

(C) Foreign exchange earnings and Outgo:

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

PARTICULARS	2016-17 (`in Lacs)	2015-16 (`in Lacs)
Foreign Exchange Earnings	6519.29	5989.29
Foreign Exchange Outgo (Imports)	6921.04	6124.98

Particulars as per Form A (Applicable for Forging Division only)

	Current year 2016-17 ₹ in Lacs	Previous Year 2015-16 ₹ in Lacs
Power & Fuel Consumption		
1. **Electricity**		
a) Purchased from Caparo Power Ltd.		
Unit consumed (In Lacs)	-	6.13
Total Amount (In Lacs)	-	60.12
Rate ₹/Unit	-	9.81
b) Own Generation		
Through Captive Power Plant (HFO Based)		
` Furnace Oil ₹/Litre	21.20	17.94
Unit (KHW in lacs)	53.85	85.32
Total amount (In ₹)	338.61	519.32
Cost ₹/Unit	6.29	6.09
c) Purchased from DHBVNL		
Unit Consumed (In Lacs)	47.9	9.27
Total Amount (In Lacs)	402.4	84.67
Cost ₹/Unit	8.40	9.13

For and on behalf of the Board

Umesh Talwar — Vice Chairman & Managing Director

Anuj Talwar — Joint Managing Director

Place: New Delhi
Date: May 24, 2017

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

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	• Ratio of the remuneration of Mr Umesh Talwar to the median remuneration of the employees – 40:1 • Ratio of the remuneration of Mr.AnujTalwar -28:1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mrs. Seema Narang (CS)-8%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	8.01%
(iv)	Number of permanent employees on the rolls of company	579
(v)	Explanation on the relationship between average increase in remuneration and company performance	Average increase in remuneration – 8.01% Average increase in Profit before Tax – 9.05%
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	**KMP** / **Remuneration (in lacs)** / **Company Performance (PBT) (in lacs)** Mr. Manvinder Singh Ajmani* – 24.03 Mr. Manish Khanna** – 23.21 Mrs. SeemaNarang – 22.68 Company Performance (PBT) (in lacs): 1275.85 *remuneration for the period 01-04-2016 to 16-08-2016 ** remuneration for the period 15-06-2016 to 31-03-2017
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	**Variations in the market capitalisation** • Market capitalisation as at 31st March, 2016– ₹ -109.88 Crores • Market capitalisation as at 31st March, 2017–₹ 178.21 Crores **Variations in the PE Ratio** • PE Ratio as at 31st March, 2016 : 13.42 • PE Ratio as at 31st March, 2017 :17.06

Annexure VIII

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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	:	L29199HR1956PLC033107
ii)	Registration Date	:	08/09/1956
iii)	Name of the Company	:	Talbros Automotive Components Limited
iv)	Category/ Sub-Category of the Company	:	Company limited by shares
v)	Address of the Registered office and contact details	:	14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad Haryana- 121003, India
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computer share Private Limited, Karvy Selenium Tower- B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally, Hyderabad- 500008
	Contact Person	:	Mr. Rajeev Kumar

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 Gaskets	2819	76.16%
2	Manufacturing of Forgings	2591	20.55%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held in the company	Applicable Section
1	Nippon Leakless Talbros Pvt Ltd.	U29199HR2005PTC035653	Joint Venture	Nil	2(6)
2	Magneti Marelli Talbros Chassis Systems Pvt Ltd	U34300HR2012PTC044985	Joint Venture	Nil	2(6)
3	Talbros Marugo Rubber Pvt Ltd	U25200HR2012PTC046820	Joint Venture	Nil	2(6)
4.	Talbros International Private Ltd	U31909HR1980PTC010226	Associate	35.40	2(6)

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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2432455	0	2432455	19.7	2082438	0	2082438	16.87	(2.83)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4235735	0	4235735	34.31	4908752	0	4908752	39.76	5.45
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**6668190**	**0**	**6668190**	**54.01**	**6991190**	**0**	**6991190**	**56.63**	**2.62**
(2) Foreign	0	0	0	0	0	0	0	0	0
a)NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6668190**	**0**	**6668190**	**54.01**	**6991190**	**0**	**6991190**	**56.63**	**2.62**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	13599	1750	15349	0.12	15202	1750	16952	0.14	0.02
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	250000	0	250000	2.03	250000	0	250000	2.03	0
g) FIIs	0	0	0	0	0	0	0	0	0

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	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)-Foreign Portfolio Investors	13048	0	13048	0.11	16048	0	16048	0.13	0.02
Overseas Corporate Bodies	0	287000	287000	2.32	0	0	0	0	(2.32)
FCB	0	39827	39827	0.32	0	0	0	0	(0.32)
Sub-total (B)(1):-	**276647**	**328577**	**605224**	**4.9**	**281250**	**1750**	**283000**	**2.30**	**(2.60)**
2. Non-Institutions									
a) Bodies Corp.	970397	7505	977902	7.92	607583	7505	615088	4.98	(2.94)
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 2 lac	2551640	325332	2876972	23.30	3061585	314472	3376057	27.35	4.05
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lacs	1085706	0	1085706	8.79	584835	0	584835	4.74	(4.05)
c) Others (specify)									
Non Resident Indians	83605	41675	125280	1.01	324921	41675	366596	2.97	1.96
Clearing Members	6216	0	6216	0.05	128724	0	128724	1.04	0.99
Trusts	140	0	140	0	140	0	140	0	0
Sub-total (B)(2):-	**4697704**	**374512**	**5072216**	**41.09**	**4707788**	**363652**	**5071440**	**41.08**	**(0.01)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	4974351	703089	5677440	45.99	4989038	365402	5354440	43.37	(2.62)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**11642541**	**703089**	**12345630**	**100**	**11980228**	**365402**	**12345630**	**100**	**0**

(ii) Shareholding of Promoters:

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Mr. Umesh Talwar	431906	3.50	0	431906	3.50	0	0.00
2	Mr. Naresh Talwar	422299	3.42	0	422299	3.42	0	0.00
	Total	**854205**	**6.92**	**0**	**854205**	**6.92**	**0**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in Promoters' Shareholding during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Increase/ Decrease in Shares	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year (01-04-16)/ end of the year (31-03-2017)	% of total shares of the company			No. of shares	% of total shares of the company
1.	Talbros International Private Limited	1049321 4370022	8.50 35.40	3320701	Acquired pursuant to the scheme of amalgamation	4370022	35.40
2.	Talbros Motors Private Limited	538730 538730	4.36 4.36	-	Nil Movement during the year	538730	4.36
3.	Kumkum Talwar	450079 450079	3.65 3.65	-	Nil Movement during the year	450079	3.65
4.	Umesh Talwar	431906 431906	3.50 3.50	-	Nil Movement during the year	431906	3.50
5.	Naresh Talwar	422299 422299	3.42 3.42	-	Nil Movement during the year	422299	3.42
6.	Bimpi Talwar	341197 341197	2.76 2.76	-	Nil Movement during the year	341197	2.76
7.	General Insurance Corporation of India	229000 229000	1.85 1.85	-	Nil Movement during the year	229000	1.85
8.	P. S. Ramanathan	0 206056	0 1.67	206056	Off market purchase	206056	1.67
9.	Sanjeev Vinodchandra Parekh	142481 142481	1.15 1.15	-	Nil Movement during the year	142481	1.15
10.	Gyan Enterprises Private Limited	136111 136111	1.10 1.10	-	Nil Movement during the year	136111	1.10

(v) Shareholding of Directors and Key Managerial Personnel:

S l . No.	Name	Shareholding		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares at the beginning of the year (01-04-16)/ end of the year (31-03-2017)	% of total shares of the company		No. of shares	% of total shares of the company
1.	Naresh Talwar	422299	3.42	Nil Movement during the year	431906	3.42
2.	Umesh Talwar	431906	3.50	Nil Movement during the year	422299	3.50
3.	Varun Talwar	17985	0.15	Nil Movement during the year	17985	0.15
4.	Vidur Talwar	16176	0.13	Nil Movement during the year	16176	0.13
5.	Anuj Talwar	62851	0.51	Nil Movement during the year	62851	0.51
6.	Navin Juneja	1353	0.01	Nil Movement during the year	1353	0.01
7.	Amit Burman	2627	0.02	Nil Movement during the year	2627	0.02

Note:
Mr. A. K. Mehra, Mr. Rajeev Ranjan Vederah, Mr. Rajiv Sawhney, Mr. Venkatraman Mohan, Mrs. Pallavi Sadanand Poojari, Mr. Manish Khanna and Mrs.Seema Narang did not hold any shares of the Company during the Financial Year 2016-17.

V. INDEBTEDNESS

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

	Secured Loans (Long Term)	Secured Loans (Short Term)	Unsecured Loans (Short Term)	Deposits (Long term)	Deposits (Short Term)	Total indebtness
Indebtedness at the beginning of the financial year						
i) Principal Amount	196,961,857.00	800,056,646.00	79,830,709.00	63,857,000.00	13,021,000.00	1,153,727,212.00
ii) Interest due but not paid	0.00	1,148,274.00	279,007.00	0.00	0.00	1,427,281.00
iii) Interest accrued but not due	478,511.00	0.00	148,396.00	4,101,517.00	0.00	4,728,424.00
Total (i+ii+iii)	197,440,368.00	801,204,920.00	80,258,112.00	67,958,517.00	13,021,000.00	1,159,882,917.00
Change in Indebtedness during the financial year						
• Addition	47,324,602.00		5,169,291.00	10,389,169.00	1,387,000.00	64,270,062.00
• Reduction	72,280,197.00	43,704,829.00	0.00	0.00		115,985,026.00
Net Change	(24,955,595.00)	(43,704,829.00)	5,169,291.00	10,389,169.00	1,387,000.00	(51,714,964.00)
Indebtedness at the end of the financial year						000
i) Principal Amount	172,006,262.00	756,351,817.00	85,000,000.00	73,691,000.00	14,408,000.00	1,101,457,079.00
ii) Interest due but not paid	1,068.00	4,434,924.00	0.00	0.00	0.00	4,435,992.00
iii) Interest accrued but not due	297,470.00	1,021,140.00	1,474,232.00	3,939,309.00	0.00	6,732,151.00
Total (i+ii+iii)	**172,304,800.00**	**761,807,881.00**	**86,474,232.00**	**77,630,309.00**	**14,408,000.00**	**1,112,625,222.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Umesh Talwar	Mr. Anuj Talwar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	98,94,000 189600	69,36,000 1,44,910	1,68,30,000 3,34,510
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-
5.	Others, please specify Provident Fund, Superannuation fund	7,98,396	5,89,596	13,87,992
	Total (A)	1,08,81,996	76,70,506	1,85,52,502
	Ceiling as per the Act	10% of Net Profit from all Executive Directors-Managing and Whole-time Directors		
		5% of Net Profit to anyone Managing or Whole-time Director		

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Navin Juneja	Mr. V. Mohan	Mr. A. K Mehra	Mr. Amit Burman	Mr. Rajive Sawhney	Mr. R.R Vederah	Mrs. Pallavi Poojari Mohindra	
1.	**Independent Directors**								
	• Fee for attending board & committee meetings	-	1,20,000	1,50,000	90,000	90,000	60,000	40,000	5,50,000
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**-**	**1,20,000**	**1,50,000**	**90,000**	**90,000**	**60,000**	**40,000**	**5,50,000**
2.	Other Non-Executive Directors								
	• Fee for attending board & committee meetings	1,00,000	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	**1,00,000**	**-**	**-**	**-**	**-**	**-**	**-**	**1,00,000**
	Grand Total (1 + 2)	**1,00,000**	**1,20,000**	**1,50,000**	**90,000**	**90,000**	**60,000**	**40,000**	**6,50,000**
	Total Managerial Remuneration	1,00,000	1,20,000	1,50,000	90,000	90,000	60,000	40,000	6,50,000
	Overall Ceiling as per the Act	The Company only paid sitting fees to other directors and amount of sitting fees are within the maximum prescribed limits.							

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Manvinder Singh Ajmani (CFO) for the part of the year	Mr. Manish Khanna (CFO) for the part of the year	Mrs. Seema Narang (Company Secretary)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,93,444	21,98,278	20,96,073	65,87,795
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,875	8,100	39,600	67,575
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify Provident Fund	89,456	1,14,400	1,31,916	3,35,772
	Total	**24,02,775**	**23,20,778**	**22,67,589**	**69,91,142**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalty, punishment, compounding of offences for the Company, Directors or any other officers in default in respect of Companies Act, 1956 and 2013.

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in a tough competitive business environment, the Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

There is more widespread understanding and acceptance that good corporate governance ultimately leads to better performance, increased investor confidence and enhancement of long term shareholders value.

2. BOARD OF DIRECTORS

Composition

The Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman Director who are eminent persons with professional expertise and valuable experience in their respective area of specialization and bring a wide range of skill and expertise to the Board. As on March 31, 2017 the composition of the Board of Directors of the Company meets the stipulated requirements of regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (herein after referred to as SEBI (LODR) Regulations, 2015)

The Board comprises of 12 Directors – 3 Executive Directors and 9 Non- Executive Directors out of which 6 Directors are independent including one woman Director.

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a Director (as specified in regulation 26).

The necessary disclosures regarding other directorships and committee positions have been made by the Directors.

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

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

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

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

Name of Director	No. of Shares held
Mr. Naresh Talwar	422299
Mr. Vidur Talwar	16176
Mr. Navin Juneja	1353
Mr. Amit Burman	2627

Memberships of the Directors on other Boards/ Committees are given hereunder:

Name of the Directors	Category	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2017		
		Other Directorships##	Committee Memberships	Committee Chairmanship
Mr. Naresh Talwar, (Chairman)	Promoter, Non-Executive	-	-	-
Mr. Umesh Talwar, (Vice Chairman & Managing Director)	Promoter, Executive	-	-	-
Mr. Varun Talwar, (Joint Managing Director)	Executive	-	-	-
Mr. Anuj Talwar, (Joint Managing Director)	Executive	-	-	-
Mr. Vidur Talwar	Non-Executive Non- Independent	-	-	-
Mr. Navin Juneja	Non-Executive	-	-	-
Mr. Anil Kumar Mehra	Non-Executive & Independent	3	-	-
Mr. Rajive Sawhney	Non-Executive & Independent	-	-	-
Mr. V. Mohan	Non-Executive & Independent	2	-	-
Mr. Amit Burman	Non-Executive & Independent	4	3	-
Mr. R. R. Vederah	Non-Executive & Independent	5	3	-
Ms. Pallavi Sadanand Poojari	Non-Executive & Independent	-	-	-

Note:

The committees considered for the purpose are those prescribed under regulation 26 of SEBI (LODR) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

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

Meetings and Attendance

During the year ended March 31, 2017 five meetings of the Board of Directors were held on the following dates:

(i) May 21, 2016 (ii) June 15, 2016 (iii) August 10, 2016 (iv) November 14, 2016 (v) February 14, 2017.

The 59th Annual General Meeting (AGM) was held on September 26, 2016.

The Attendance of the Directors in the Board Meetings and at the AGM held during the year is given as under**:**

Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Naresh Talwar, (Chairman)	Promoter, Non-Executive	3	Yes
Mr. Umesh Talwar, (Vice Chairman and Managing Director)	Promoter, Executive	4	Yes
Mr. Varun Talwar, (Joint Managing Director)	Executive	4	No
Mr. Anuj Talwar, (Joint Managing Director)	Executive	4	Yes
Mr. Vidur Talwar	Non- Executive Non- Independent	4	No
Mr. Navin Juneja	Non-Executive	5	Yes
Mr. Anil Kumar Mehra	Non-Executive & Independent	5	No
Mr. Rajive Sawhney	Non-Executive & Independent	4	No
Mr. V. Mohan	Non-Executive & Independent	4	Yes
Mr. Amit Burman	Non-Executive & Independent	3	No
Mr. R. R. Vederah	Non-Executive & Independent	2	No
Ms. Pallavi Sadanand Poojari	Non-Executive & Independent	2	No

Separate Meeting of Independent Directors

As required under the relevant provisions of the Companies Act, 2013 and the SEBI Regulations 2015, a separate meeting of the Independent Directors was held on 10th August, 2016 for review of the performance of the Chairman, Non- Independent Director and the Board as a whole.

The meeting was attended by all independent Directors.

3. COMMITTEES OF THE BOARD`

(i) Audit Committee

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Chairman of the Audit Committee was present in the last Annual General Meeting held on September 26, 2016.

Role of Audit Committee, interalia, includes the following:

(i) Reviewing the Company's financial reporting process and its financial statement.

(ii) Reviewing the financial and accounting policies and practices and compliance with applicable accounting standards.

(iii) Reviewing reports furnished by internal and statutory auditors.

(iv) Recommending appointment, terms of appointment and remuneration/ fee for other services of statutory auditors, internal auditors and cost auditors.

(v) Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.

(vi) Evaluating the adequacy of internal controls and its effectiveness.

(vii) Reviewing the financial results of the Company for each quarter/ year before the same are placed at the Board meeting for approval.

(viii) Providing an avenue for effective communication between the Internal Audit, the Statutory Auditors and the Board of Directors.

The role and responsibilities and terms of reference of the Audit Committee has been further revised and aligned in accordance with the Companies Act, 2013 read with the Rules thereof and SEBI (LODR) Regulations, 2015 that inter alia includes: (a) the recommendation for appointment, remuneration and terms of appointment of auditors of the company; (b) Review and monitor the auditor's independence and performance and effectiveness of audit process; (c) Examination of the financial statement and the auditor's report thereon; (d) Approval or any subsequent modification of transactions of the company with related parties; (e) Scrutiny of inter corporate loans and investments; (g) Evaluation of internal financial controls and risk management systems.

Composition, meetings and attendance

The Audit Committee comprises of 6 members, out of which 4 members are Independent Directors.

Chief Financial Officer, the Internal Auditor and Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as Secretary of the Committee.

During the year ended March 31, 2017, five meetings of the Audit Committee were held on the following dates:

(i) May 21, 2016 (ii) June 15, 2016 (iii) August 10, 2016 (iv) November 14, 2016 (v) February 14, 2017.

The attendance of each Audit Committee Member is as under:

Name of the Directors	No. of Meetings Attended
Mr. V. Mohan, Chairman	4
Mr. Anil Kumar Mehra	5
Mr. Rajive Sawhney	3
Mr. Amit Burman	3
Mr. Anuj Talwar	4
Mr. Vidur Talwar	4

(ii) Nomination & Remuneration Committee

Terms of Reference of the Nomination and Remuneration Committee are as per the guidelines set out in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 that inter alia includes:

(a) formulation of criteria for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, key managerial personnel and other employees and recommending the same to the Board.

(b) formulation of criteria for evaluation of performance of independent directors and the board of directors.

(c) devising a policy on diversity of board of directors.

(d) identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria as per the policy approved by the Board.

(e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director.

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

Composition and Attendance

The Nomination & Remuneration Committee consists of four members all being Non-Executive Independent Directors i.e. Mr. A. K. Mehra, Mr. Rajive Sawhney, Mr. V. Mohan and Mr. Amit Burman. The Chairman of the Committee is Mr. A. K. Mehra.

During the year two meetings of Nomination & Remuneration Committee were held on 21st May 2016 and 15th June 2016. The detail of attendance of each Committee Member is as under:

Name of Director	No. of meetings attended
Mr. Anil Kumar Mehra	2
Mr. Rajive Sawhney	1
Mr. V. Mohan	1
Mr. Amit Burman	2

Performance Evaluation

The Nomination and Remuneration Committee of the Board, has laid out the evaluation criteria performance evaluation of the Board, its committees and all the individual Director, in adherence of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

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

The Director expressed their satisfaction with evaluation process.

Remuneration policy

The terms of reference/ role of the Nomination and Remuneration Committee is to determine the Company's policy on the remuneration package of its Executive Directors and senior management and to determine and approve the terms & conditions and remuneration package of its Executive Directors, including revision thereof from time to time, and to deliberate on and decide matters incidental thereto or consequential thereof.

The Remuneration policy of the Company is to ensure that Executive Directors and Senior Management of the Company are rewarded in a fair and responsible manner, for their individual contributions to the success of the Company and are provided with appropriate incentives to encourage enhanced performance. The remuneration paid to the Executive Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities as and when required.

Remuneration of Directors

Executive Directors

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

	Mr. Umesh Talwar	Mr. Anuj Talwar
	₹	₹
Basic Salary	58,20,000	40,80,000
Allowance & Perquisites	50,22,396	35,50,906
Total	**1,08,42,396**	**76,30,906**

Allowance & Perquisites include HRA, Employer's contribution to the Provident Fund, Superannuation fund and other Perquisites.

Other terms and conditions:

	Mr. Umesh Talwar	Mr. Anuj Talwar
Term of Appointment	Three years, from 01.04.2015 to 31.03.2018	Three years, from 14.08.2015 to 13.08.2018

Non Executive Directors

The Non-Executive Independent Directors are entitled for sitting fee of ₹ 20,000/- for every Board Meeting and ₹ 10,000/- for every Audit Committee Meeting. They are also reimbursed all travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committee thereof or which they may otherwise incur in the performance of their duties as Director.

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

(iii) Stakeholders' Relationship Committee

Terms of Reference of the Stakeholders' Relationship Committee has been revised as per the guidelines set out in the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 that inter alia include looking into the security holders' grievance, issue of duplicate shares, exchange of new share certificates, recording dematerialization/ rematerialization of shares and related matters. Mrs. Seema Narang, Company Secretary of the Company is the Compliance Officer for complying with the requirements of SEBI Regulations.

Composition and Attendance

The Stakeholders' Relationship Committee comprises of 4 Non-Executive Directors, of which 3 are independent Directors. The Chairman of the Committee is Mr. Naresh Talwar.

During the year ended March 31, 2017, four meetings of the Stakeholders' Relationship Committee were held on the following dates:

(i) May 21, 2016 (ii) August 10, 2016 (iii) November 14, 2016 (iv) February 14, 2017

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

Name of the Directors	No. of Meetings Attended
Mr. Naresh Talwar, Chairman	3
Mr. V. Mohan	4
Mr. Anil Kumar Mehra	4
Mr. Rajive Sawhney	3

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

Status of queries/ complaints received and resolved during the year

Number of Shareholders' Queries/ Complaints received during the year	208
Number of Shareholders Complaints solved to the satisfaction of Shareholders	208
Number of Shareholders Complaints pending as on 31.03.2017	Nil

Name and designation of Compliance Officer

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

(iv) Corporate Social Responsibility (CSR) Committee

Terms of Corporate Social Responsibility (CSR) Committee are as per the provisions of Section 135 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which inter alia include formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy and recommendation on the amount of expenditure to be incurred on the various CSR activities and monitoring of the CSR Policy of the company.

Composition and Attendance

The Committee comprises of 3 Directors:

1. Mr. Umesh Talwar, Chairman
2. Mr. Amit Burman
3. Mr. Navin Juneja

All members of the committee attended the meeting of the committee held on 14th February, 2017 except Mr. Amit Burman.

4. GENERAL BODY MEETINGS

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

Financial Year	2013-14	2014-15	2015-16
Location	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana	Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad, Haryana
Date and Time	September 12, 2014 (Friday), 10.30 A.M.	September 25, 2015 (Friday), 10.30 A.M.	September 26, 2016 (Monday), 10.30 A.M.
Type of resolutions passed			
Special Resolutions Passed	1. To approve acceptance of Deposits from public and/ or members of the Company. 2. To approve an agreement for sale of Company's product namely Gaskets, Forgings & other Auto parts to QH Talbros Ltd. 3. To approve a Trademark License Agreement with QH Talbros Ltd. 4. To approve an agreement with Nippon Leakless Talbros Pvt Ltd for purchase and/ or sale of Tyre Sealant & other production inputs. 5. To approve an agreement with Nippon Leakless Talbros Pvt Ltd for sale/ purchase of gaskets to each other. 6. To approve borrowing limits of Company 7. To approve providing security in connection with borrowings of the Company.	1. Re-appointment of Mr. Anuj Talwar (DIN 00628063), as an Executive Director of the Company for a period of three years with effect from August 14, 2015. 2. Acceptance of Fixed Deposits from Public and/ or members of the Company.	1. Increase in remuneration of Mr. Anuj Talwar w.e.f 1st April, 2016 with the designation of Joint Managing Director of the Company. 2. Acceptance of Fixed Deposits from Public and/ or members of the Company. 3. Agreement with QH Talbros Limited for sale of company's products. 4. Agreement with Nippon Leakless Talbros Pvt. Ltd for purchase and /or sale of Tyre Sealant and other production inputs etc. 5. Agreement with Nippon Leakless Talbros Pvt. Ltd for sale/purchase of Gaskets.

Postal Ballot

During the year, none of the businesses proposed to be transacted through postal ballot.

5. DISCLOSURES

Related Party Transactions

The Company has not entered into any transactions of material nature with its Promoters, the Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company.

The board has approved policy for related party transactions which is available on company's website at following link and further, details of general related party transactions are given in the Balance Sheet.

http://www.talbros.com/related-party-policy/

Policy for determining material subsidiaries

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

Compliances by the Company

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

(a) Corporate governance requirement as specified under Point C of Schedule V of the SEBI (LODR) Regulation, 2015

(b) Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 45 of the SEBI (LODR) Regulation, 2015 and

(c) Accounting Standards issued by the Institute of Chartered Accountants of India.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above during last three financial years.

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

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

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

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

Whistle Blower Policy

The Company has a robust Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach their Supervisor/ Respective HR/ Legal Department or through dedicated Hotline numbers of the Company and makes protective disclosures about the unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct. The Whistle Blower Policy is an extension of the Talbros Code of Ethics, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames as per Talbros's global Policy.

Policy against Sexual and Workplace Harassment

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

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/ her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel. We affirm that adequate access was provided to any complainant, who wished to register a complaint under the policy, during the financial year ended 31st March, 2017.

Managing Director/ CFO certification

The certificate from Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Manish Khanna, Chief Financial Officer as placed before the Board in terms of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 is enclosed at the end of this Report.

6. MEANS OF COMMUNICATION

(a) **Quarterly Results:** Unaudited quarterly financial results and the annual audited financial results of the Company are sent to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. where its equity shares are listed and the same are generally published in Business Standard (English & Hindi) newspaper.

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

(c) **Annual Report**: Annual Report contains inter-alia Audited Annual Accounts, consolidated Financial Statement, Directors' Report, Auditors' Report.

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

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

7. SHAREHOLDERS INFORMATION

(i) 60th Annual General Meeting

The 60th Annual General Meeting will be held on 26th September, 2017 at 10:30 A.M at Hotel Saffron Kiran, 12/6, NH-2, (Near to Sarai Metro Station, and Badarpur Toll Plaza), Sarai Khwaja, Faridabad -121003, Haryana.

(ii) Financial Year

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

(iii) Book Closure Date

The date of book closure is from September 19, 2017 to September 26, 2017 (both days inclusive).

Financial Reporting Calendar:

Un audited Quarterly results for the quarters	Tentative date of Reporting
April – June 2017	2nd week of August, 2017
July – September 2017	2nd week of November 2017
October – December 2017	2nd week of February 2018
January – March 2018	4th week of May 2018

(iv) Dividend Payment Date

The Board has recommended a dividend of 15% on the paid up share capital of the Company to be considered by the members in the forthcoming Annual General Meeting. The said dividend if declared by the shareholders shall be paid to all the members as on the date of Annual General Meeting within the statutory limit of 30 days from the date of declaration.

(v) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The annual listing fee due to the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd. for the year 2017-2018 has been duly paid.

(vi) Stock Code

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

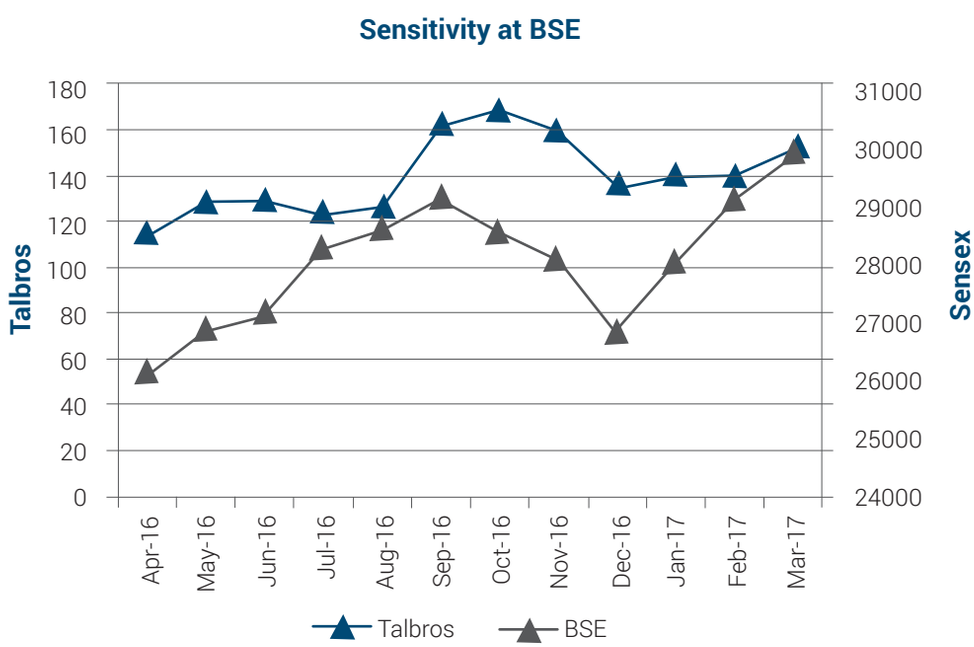
(vii) Market Price Data

Months	Share Price at BSE		Share Price at NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	114.40	89.70	114.50	88.65
May 2016	128.50	99.80	130.90	99.00
June 2016	129.00	102.30	129.70	100.30
July 2016	123.95	111.00	121.00	111.40
August 2016	126.70	112.00	127.00	111.60
September 2016	162.20	119.80	162.10	119.30
October 2016	168.70	139.05	168.90	137.25
November 2016	159.75	116.20	159.30	116.55
December 2016	136.60	119.45	135.95	119.05
January 2017	140.00	122.00	139.70	123.45
February 2017	140.00	128.65	140.50	128.05
March 2017	152.50	123.50	152.15	122.10

Performance of TALBROS Share price in comparison to:

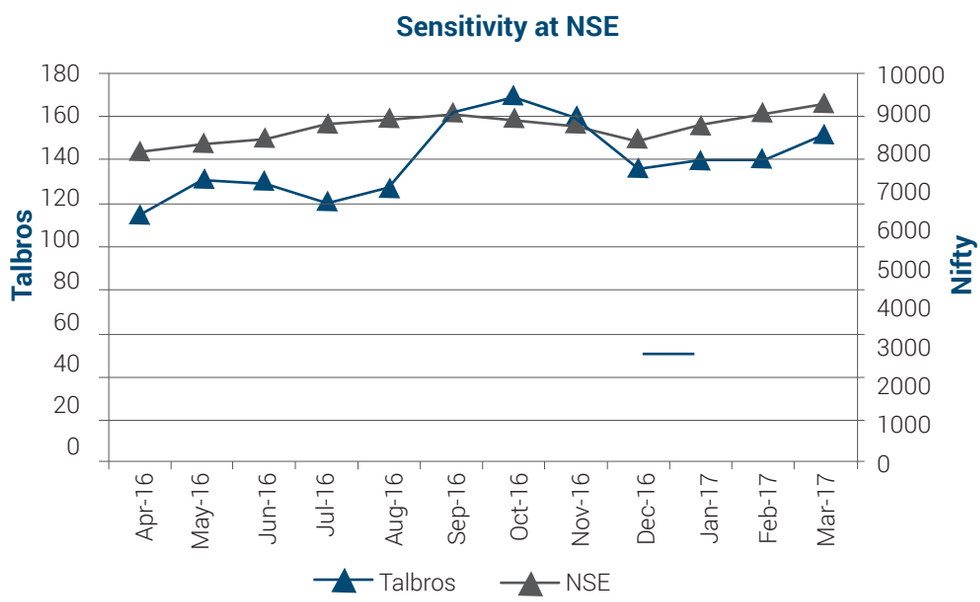
BSE SENSEX

Months	Share Price		Sensex	
	High (₹)	Low (₹)	High	Low
April 2016	114.40	89.70	26100.54	24523.20
May 2016	128.50	99.80	26837.20	25057.93
June 2016	129.00	102.30	27105.41	25911.33
July 2016	123.95	111.00	28240.20	27034.14
August 2016	126.70	112.00	28532.25	27627.97
September 2016	162.20	119.80	29077.28	27716.78
October 2016	168.70	139.05	28477.65	27488.30
November 2016	159.75	116.20	28029.80	25717.93
December 2016	136.60	119.45	26803.76	25753.74
January 2017	140.00	122.00	27980.39	26447.06
February 2017	140.00	128.65	29065.31	27590.10
March 2017	152.50	123.50	29824.62	28716.21



NIFTY

Months	Share Price		Nifty	
	High (₹)	Low (₹)	High	Low
April 2016	114.50	88.65	7992.00	7516.85
May 2016	130.90	99.00	8213.60	7678.35
June 2016	129.70	100.30	8308.15	7927.05
July 2016	121.00	111.40	8674.70	8287.55
August 2016	127.00	111.60	8819.20	8518.15
September 2016	162.10	119.30	8968.70	8555.20
October 2016	168.90	137.25	8806.95	8506.15
November 2016	159.30	116.55	8669.60	7916.40
December 2016	135.95	119.05	8274.95	7893.80
January 2017	139.70	123.45	8672.70	8133.80
February 2017	140.50	128.05	8960.75	8537.50
March 2017	152.15	122.10	9218.40	8860.10



(xiii) Registrar & Transfer Agents

For Shares held in Physical as well as Electronic Mode

M/s Karvy Computershare Private Ltd.,
Unit: Talbros Automotive Components Ltd.,
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda, Serilingampally
Hyderabad 500 008, India
Email: rajeev.kr@karvy.com

(ix) Share Transfer System

Board in order to expedite the share transfer process dissolved the share transfer committee with effect from 26th May 2014 and delegated the power to senior officials and share transfer agent of the company. Physical share transfer request valid and complete in all respect are normally processed expeditiously. The Company's shares are in compulsory Demat Mode.

(x) Distribution of Shareholding as on March 31, 2017

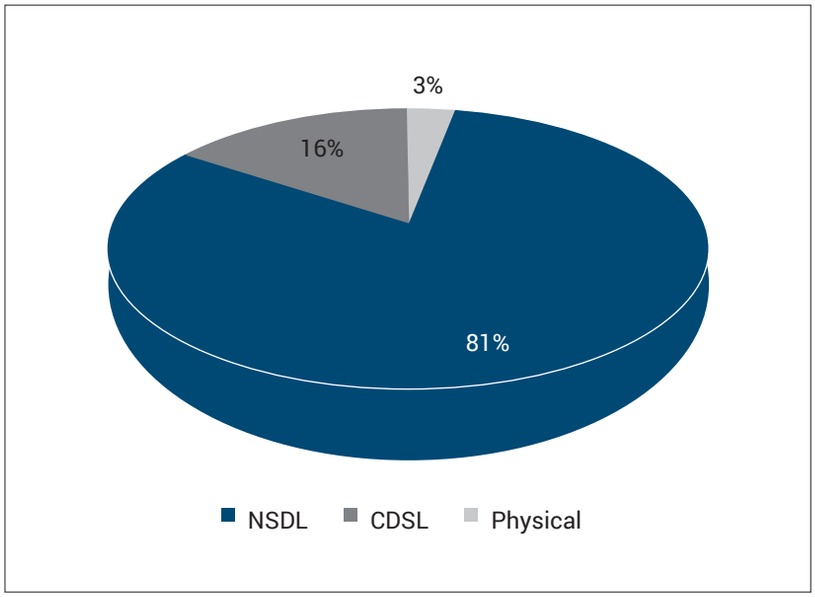
Category (Amount)		No. of Shareholders		No. of Shares	
From	**To**	**Number**	**% Total**	**Number**	**% Total**
1	5000	16530	92.6102	1464906	11.8658
5001	10000	688	3.8546	546419	4.426
10001	20000	294	1.6472	438937	3.5554
20001	30000	106	0.5939	267048	2.1631
30001	40000	62	0.3474	215960	1.7493
40001	50000	48	0.2689	226865	1.8376
50001	100000	56	0.3137	416641	3.3748
100001	Above	65	0.3642	8768854	71.028
Total		**17849**	**100.00**	**12345630**	**100.00**

(xi) Dematerialization of Shares and Liquidity

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

The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2017 is as follows:

Category	No. of shareholders	No. of Equity Shares	% of Capital
Physical	4442	365402	2.96%
NSDL	9422	10057744	81.47%
CDSL	3985	1922484	15.57%
Total	**17849**	**12345630**	**100.00%**



(xii) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2017.

(xiii) Plant Locations of the Company

The Company has four Gasket Manufacturing Facilities besides Forging plant and one Material Division. The addresses are as given below:

Particulars	Address
Gasket Plant I & Registered Office	14/1, Delhi Mathura Road, Faridabad –121003, Haryana
Gasket Plant II	Bhaskar Estate, Amar Nagar, Sector 27-C, K.M. Main Mathura Road, Faridabad-121003, Haryana
Gasket Plant III	Plot No 68, F-11, MIDC, Pimpri, Pune – 411018
Gasket Plant IV	Plot No. B-177, Phase-I, Eldeco-Sidcul Industrial Park Ltd, Sitarganj, Uttrakhand -262405
Forging Division	Plot No.39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501, Distt. Rewari (Haryana)
Material Division	Mandkola Road, Village Atta, Sohna - 122103 Distt. Gurgaon (Haryana)

(xiv) Address for Correspondence

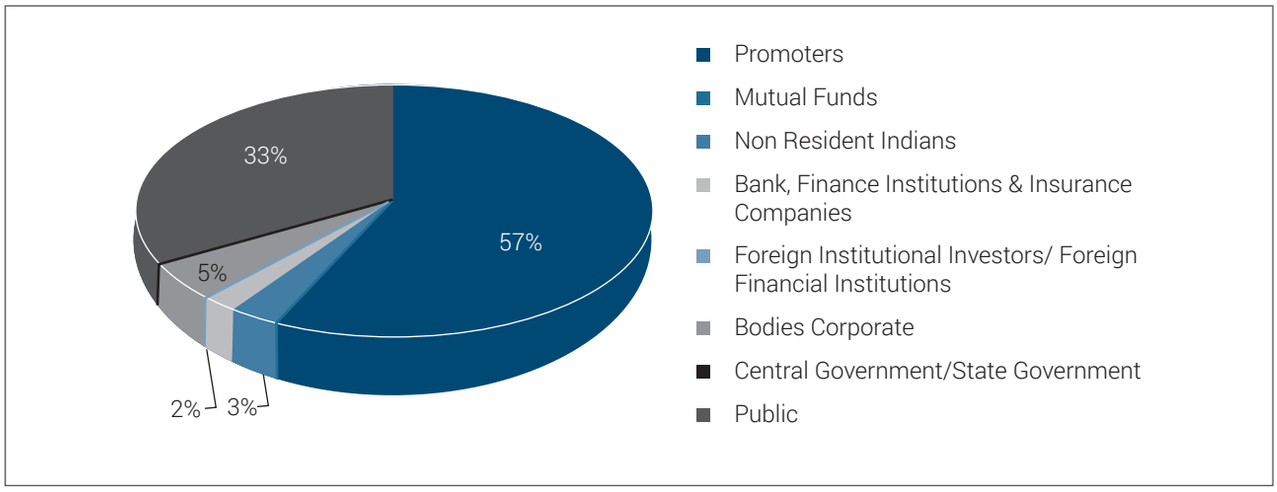
The shareholders may address their communications/ suggestions/ grievances/ queries to:

Registered Office
Talbros Automotive Components Ltd.
14/1, Delhi Mathura Road, Faridabad –121003
Tel: +91-129- 2251482/ 2251489/2251400
Email: seema_narang@talbros.com

For all matters relating to investor relations please contact:
Company Secretary & Compliance officer
Talbros Automotive Components Ltd.
14/1, Delhi Mathura Road, Faridabad –121003
Tel: +91-129- 2251489/ 2251482
Email: seema_narang@talbros.com

(xv) Shareholding Pattern as on March 31, 2017

Category	No. of Shares	% to equity
Promoters	6991190	56.62
Mutual Funds	-	-
Non Resident Indians	366596	2.97
Banks, Financial Institutions & Insurance Companies	266952	2.17
Foreign Institutional Investors/ Foreign Financial Institutions	16048	0.13
Bodies Corporate	615088	4.98
Central Government/ State Government	-	-
Public	4089756	33.13
Total	**12345630**	**100.00**



Unclaimed Dividends

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

Year	Date of Declaration	Due date for transfer
2009-10	21.07.2010	19.08.2017
2010-11	07.09.2011	05.10.2018
2011-12	03.09.2012	01.10.2019
2012-13	16.09.2013	14.10.2020
2013-14	12.09.2014	10.10.2021
2014-15	25.09.2015	23.10.2022
2015-16	26.09.2016	24.10.2023

Members who have not encashed their dividend warrants so far in respect of dividend 2009-10 are requested to have the same revalidated to encash and avoid transfer to IEPF as already requested by the Company vide its letter dated May 1, 2017.

Demat Suspense Account

Company does not have any shares in demat suspense account/unclaimed suspense account.

Nomination

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

DECLARATION FOR CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2017.

For **Talbros Automotive Components Ltd.**

Umesh Talwar
[Vice Chairman & Managing Director]
DIN No. 00059271

152, Malcha Marg, Diplomatic Enclave,
New Delhi-110021

Place: New Delhi
Date: May 24, 2017

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

To the members of

Talbros Automotive Components Limited

We have examined the compliance of the conditions of Corporate Governance by **Talbros Automotive Components Limited** for the year ended March 31, 2017 as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Umesh Talwar, Vice Chairman & Managing Director and Manish Khanna, Chief Financial Officer, of Talbros Automotive Components Limited to the best of our knowledge and belief, certify that

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there were no deficiencies in the design or operation of internal control which came to our notice.

D. We have indicated to the auditors and the Audit committee:

   1. significant changes in internal control over financial reporting during the year;
   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3. there were no instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

Umesh Talwar
Vice Chairman and Managing Director

Manish Khanna
Chief Financial Officer

Place: New Delhi
Date: May 24, 2017

Independent Auditor's Report

Tothe Members of

Talbros Automotive Components Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Talbros Automotive Components Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended,and a summary of the significant accounting policies and other explanatory information,in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Pune.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014(as amended).This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of one branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 3,06,364,738/- and net assets of Rs. 20,79,24,380/- as at March 31, 2017 and total revenues of Rs. 67,21,70,382/- for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

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 Section 143(11) of the Act, we give in the 'Annexure- A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditor on the separate financial statements/ financial information of the branch, referred to in the Other Matters paragraph above, we report to the extent applicable 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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;

c. the report on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by the branch auditor has been sent to us and has been properly dealt with by us in preparing this report;

d. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;

e. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

f. on the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

g. 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";

h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its standalone financial position in its financial statements – Refer Note no. 29 to the financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note no. 30 to financial statements.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The Company has a regular program of physical verification of its Property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipment were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us,we report that, the title deeds of all the freehold immovable properties, as stated in Note no 12 to the standalone financial statements (which are included under the head 'Property, plant and equipment) are held in the name of the Company except for the following properties

Nature of property	Total Number of Cases	Whether leasehold / freehold	Gross block as on March 31, 2017	Net block on March 31, 2017	Remarks
Land	1	Freehold	Rs.4,65,25,676	Rs. 4,65,25,676	28,575 Sq Mtrs purchased from Haryana State Industrial Development Corporation Ltd pending registration in the name of the Company

In respect of leasehold immovable properties (which are included under the head 'Property, plant and equipment), the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year, except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were not material and same have been properly dealt within books of account.

(iii) According to the information and explanations given to us,the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, the Company has complied with the provisions of Sections 186 of the Act in respect of loans, investments, guarantees, and security.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax,cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect there of were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Maharashtra VAT Act, 2005	Demand of VAT	4,97,936	-	2005-06 & 2008-09	Joint Commissioner of Sales Tax, Pune
Income Tax Act,1961	Income Tax Demand	4,47,739	-	2004-05	CIT – Appeal
Income Tax Act,1961	Income Tax Demand	13,98,150	-	2011-12	CIT – Appeal
Income Tax Act,1961	Income Tax Demand	21,08,909	-	2012-13	CIT – Appeal
Central excise Act, 1944	Cenvat-Credit disallowed	8,85,308	-	2007-08 to 2010-11	The Assistant Commissioner, Faridabad
Haryana Value Added Tax Act, 2003	Input tax disallowed	2,73,548	-	2006-07	The Deputy Commissioner Gurgaon
Central excise Act, 1944	Cenvat-Credit disallowed	2,67,681	-	August 2011 to October 2013	Superintendent Range - IVB, Chennai
Custom Act, 1962	Demand of custom duty	7,96,882	-	2013-14	Deputy Commissioner of Customs, New Delhi
Custom Act, 1962	Demand of custom duty	16,83,081	-	2014-15	The Customs, Excise and Service Tax Appellate Tribunal
Central excise Act, 1944	Demand of excise duty	4,40,89,686	80,00,000	FY 2010-11 to FY 2015-16	Commissioner of Customs, Central Excise and Service Tax, Hapur

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which the loan were obtained.

(x) To the best of our knowledge and according to the information and explanations given to us no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us,all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us,the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly, provisions of clause 3 (xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

Annexure-B to the Independent Auditor's Report

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Independent Auditor's 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 Talbros Automotive Components Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting(the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that 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, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

Balance Sheet
as at March 31, 2017

Amount in ₹

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016	
EQUITY AND LIABILITIES:					
Shareholders' funds:					
Share capital	2	12,34,56,300		12,34,56,300	
Reserves and surplus	3	1,23,61,52,993	1,35,96,09,293	1,15,39,90,720	1,27,74,47,020
Non-current liabilities					
Long term borrowings	4	16,64,44,391		16,83,84,543	
Deferred tax liabilities (net)	5	6,45,25,008		9,52,78,515	
Other long term liabilities	6	22,26,000		22,26,000	
Long term provisions	7	2,95,90,171	26,27,85,570	3,10,42,146	29,69,31,204
Current liabilities					
Short term borrowings	8	85,57,59,817		89,29,08,355	
Trade payables					
-Total outstanding dues of micro enterprises and small enterprises	37	-		-	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	9	93,10,29,647		89,27,12,891	
Other current liabilities	10	24,51,42,560		24,20,35,791	
Short term provisions	11	3,14,03,871	2,06,33,35,895	3,51,15,407	2,06,27,72,444
Total			**3,68,57,30,758**		**3,63,71,50,668**
ASSETS:					
Non-Current Assets					
-Property, plant & equipment	12.1	1,18,29,60,753		91,43,38,178	
-Intangible assets	12.2	48,10,552		72,68,147	
-Capital work in progress	12.3	1,05,21,885		-	
-Intangible assets under development	12.4	61,31,817	1,20,44,25,007	56,45,648	92,72,51,973
Non current investments	13		33,14,26,934		32,29,41,590
Long term loans and advances	14		9,81,79,464		11,72,79,595
Other non current assets	15		57,21,319		47,35,105
Current assets					
Inventories	16	98,75,82,335		1,27,84,83,349	
Trade receivables	17	78,56,12,236		70,72,10,946	
Cash and bank balances	18	6,43,38,547		4,81,46,224	
Short term loans and advances	19	19,59,34,683		22,29,51,517	
Other current assets	20	1,25,10,233	2,04,59,78,034	81,50,369	2,26,49,42,405
Total			**3,68,57,30,758**		**3,63,71,50,668**
Summary of significant accounting policies	1				

The accompanying notes are an integral part of the financial statements

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Statement of Profit and Loss
for the year ended March 31, 2017

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2017		Year Ended March 31, 2016	
INCOME					
Revenue from operations (gross)	**21**	3,57,34,72,976		3,37,09,61,976	
Less: Excise duty		28,55,11,767	3,28,79,61,209	27,01,09,916	3,10,08,52,060
Other income	**22**		8,75,26,049		6,30,44,845
Total Revenue			**3,37,54,87,258**		**3,16,38,96,905**
EXPENSES					
Cost of raw materials consumed	**23(a)**		1,75,93,53,034		1,74,91,79,226
Purchase of stock-in-trade	**23(b)**		2,36,84,166		2,67,24,599
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**24**		2,32,42,794		(11,05,94,285)
Employee benefits expense	**25**		46,31,03,322		43,55,70,399
Finance costs	**26**		15,75,15,135		16,62,48,482
Depreciation and amortisation expense	**27**		12,31,39,028		11,99,68,454
Other expenses	**28**		69,78,65,174		65,98,01,559
Total Expenses			**3,24,79,02,653**		**3,04,68,98,434**
Profit before tax			**12,75,84,605**		**11,69,98,471**
Tax expense:					
Current tax / MAT		2,88,39,630		2,32,00,000	
MAT credit entitlement		-		(2,32,00,000)	
Deferred tax		38,63,216		3,58,38,553	
Tax adjustments of prior years (net)		(95,68,879)	2,31,33,967	(6,88,226)	3,51,50,327
Profit for the year			**10,44,50,638**		**8,18,48,144**
Earnings per share (Face Value ₹ 10)					
Basic and Diluted earnings per share (₹)	**45**		**8.46**		**6.63**
Summary of significant accounting policies	**1**				
The accompanying notes are an integral part of the financial statements					

The accompanying notes are an integral part of the financial statements

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Cash Flow Statement

for the year ended March 31, 2017

(Amount in ₹)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
A. Cash flows from operating activities				
Net profit before tax		**12,75,84,605**		**11,69,98,471**
Adjustments for:				
Depreciation and amortisation expense	12,31,39,028		11,99,68,454	
Interest expense	15,75,15,135		16,62,48,482	
Foreign exchange fluctuation	(53,93,885)		59,19,575	
Interest income	(93,41,317)		(1,02,78,066)	
Dividend income	(2,72,97,770)		(2,48,97,630)	
(Profit) / loss on sale of assets	(37,70,572)		66,655	
Provision for doubtful receivables	2,16,63,359	25,65,13,978	85,17,136	26,55,44,606
Operating profit before working capital changes		**38,40,98,583**		**38,25,43,077**
Adjustments for:				
Current assets, loans and advances (current and non-current)	(8,43,36,495)		(3,83,50,298)	
Inventories	4,56,44,213		(18,02,32,999)	
Current liabilities (current & non-current)	5,48,63,988	1,61,71,706	14,08,51,226	(7,77,32,071)
Cash generated from operations		**40,02,70,289**		**30,48,11,006**
Direct taxes (paid)		(2,43,00,000)		(1,80,91,211)
Net Cash generated from operating activities (A)		**37,59,70,289**		**28,67,19,795**
B. Cash flows from investing activities				
Proceeds from sale of property, plant & equipment	1,78,51,036		55,10,674	
Movement in other bank balances	79,21,164		21,82,077	
Movement in inter-corporate deposits	-		50,00,000	
Interest received	49,81,453		1,06,16,101	
Dividends received	2,72,97,770		2,48,97,630	
Purchase of property, plant & equipment	(17,51,97,311)		(5,57,49,779)	
Investments made	(84,85,344)		(2,50,00,048)	
Net cash used in investing activities (B)		**(12,56,31,232)**		**(3,25,43,345)**
C. Cash flows from financing activities				
Interest paid	(15,24,28,844)		(17,23,51,934)	
Proceeds from borrowings	5,61,15,233		6,83,07,495	
Repayment of borrowings	(10,78,30,197)		(13,13,43,513)	
Dividend paid	(1,83,11,842)		(1,88,07,140)	
Dividend tax paid	(37,69,920)		(37,69,920)	
Net cash flow used in financing activities (C)		**(22,62,25,570)**		**(25,79,65,012)**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		**2,41,13,487**		**(37,88,562)**
Cash and cash equivalents as at:				
-the beginning of the year		**1,02,89,520**		**1,40,78,082**
-the end of the year (Refer Note no. 18)		**3,44,03,007**		**1,02,89,520**

Note :- a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3, "Cash Flow Statements".

b) Previous year's figures have been regrouped wherever considered necessary to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Notes to the Financial Statements
for the year ended March 31, 2017

1. Summary of significant accounting policies

a. Basis of preparation:

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with generally accepted accounting principles in India (GAAP) and comply with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013.

b. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and the estimate are recognized in the period in which the results are known / materialized.

c. Investments:

Long term investments are stated at cost, less any provision for diminution other than temporary in nature.

d. Inventory valuation:

Raw materials and stores & spare parts are valued at lower of cost or net realizable value. Cost represents purchase price and other expenditure directly attributable to the acquisition and is determined on first in first out (FIFO) basis.

Finished goods & work-in-progress are valued at lower of cost or net realizable value. Cost for this purpose includes materials, labour and appropriate allocation of overheads. Excise duty on stock lying with the Company is added to the cost of finished goods inventory.

e. Property, plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction and include amounts added on revaluation, less accumulated depreciation..

f. Intangible

Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard -26 "Intangible Assets" less accumulated amortisation.

Major software products are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

g. Depreciation / Amortisation

Depreciation on property, plant and equipment is provided based on the methods given hereunder.

Sr. No.	Plant	Method of depreciation	
		Straight line	Written down value
1.	Gasket Plants at Faridabad, Chennai, Pune and Sohna (except on items acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant)	Plant, machinery and equipment	All other depreciable assets
2.	Assets acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant		All depreciable assets
3.	Gasket Plant at Sitarganj, Forging Plant at Bawal and assets transferred to Gasket Plant at Faridabad from erstwhile Rubber Division	All depreciable assets other than vehicles	Vehicles

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Notes to the Financial Statements
for the year ended March 31, 2017

Sr. No.	Class of assets	Useful life
(i)	Plant, machinery and equipment	22 years
(ii)	Computers	6 years
(iii)	Air-conditioning plant	10 years
(iv)	Canteen equipments	10 years
(v)	Furniture and fixtures	5 years
(vi)	Vehicles	10 years
(vii)	Electrical installation	15 years
(viii)	Tube wells	10 years
(ix)	Mould and Dies	6 years

The estimates of useful lives of the assets are based on independent technical evaluation, taking into account the nature of the asset, the estimated usage of the asset and the operating conditions surrounding the use of the asset etc.

In respect of additions to/deductions from property, plant and equipment during the year, depreciation is charged on pro-rata basis. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold land and leasehold improvements are amortized on straight line basis over the period of the lease.

Technical know how fee is amortized on straight line basis over the period of agreement but not exceeding ten years starting from the use of technical know how. Expenditure on major software products is written off on straight line basis over a period of 36 months from the month put to use except Forging Division where the Software Products are written off over a period of 60 months from the month put to use.

h. Revenue recognition:

i. Revenue from operations includes excise duty and is net of returns and trade discounts. Excise duty relating to sales is adjusted against revenue from operations. Excise duty on the increase/decrease in the stock of finished goods is recognized as part of the 'Other Expenses'.

ii) Dividend is accounted for on accrual basis when the right to receive the dividend is established.

iii) Export incentives are accounted on accrual basis.

i. Foreign currency transactions:

Transactions in foreign currency are accounted at the exchange rates prevailing at the dates of the transactions. Gains / losses arising out of fluctuation in exchange rates, if any, on settlement are recognized in the statement of profit and loss except in the case of long term monetary items relating to acquisition of property, plant and equipment where such gains / losses are adjusted to the cost of property, plant and equipment.

Foreign currency monetary items are converted at the exchange rate prevailing as at the year end and resultant gain / loss is charged to the statement of profit and loss, except in case of long term monetary items representing liabilities relating to acquisition of property, plant and equipment which are adjusted to the cost of the respective assets. In respect of transactions covered by foreign exchange forward contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the statement of profit and loss over the period of the contract.

j. Employee benefits:

i. Provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

ii) Superannuation fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the fund are due.

iii) Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation made at the end of each financial year based on the projected unit credit method.

iv) Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year based on the projected unit credit method.

v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

k. Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

l. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Company is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the statement of profit and loss on a straight line basis over the lease term. Initial direct costs such as legal cost, brokerage cost etc. are recognised immediately in the statement of profit and loss.

m. Income tax

Tax expense comprises current and deferred tax.

Current tax is recognized based on assessable profit computed in accordance with the Income Tax Act, 1961 and at the prevailing tax rate.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in case of unabsorbed depreciation and carry forward losses are recognized if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n. Impairment of assets:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds recoverable amount.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if,

a. the Company has a present obligation as a result of past event,

b. a probable outflow of resources is expected to settle the obligation and

c. the amount of obligation can be reliably estimated

Reimbursements expected in respect of expenditure required to settle a provision are recognized only when it is virtually certain that the reimbursements will be received.

Contingent liability is disclosed in the case of

a. a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b) A possible obligation, of which the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date. Contingent assets are neither recognized nor disclosed.

Notes to the Financial Statements
for the year ended March 31, 2017

2. Share capital :

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Authorised share capital:	20,00,00,000	20,00,00,000
2,00,00,000 Equity shares of ₹ 10/- each		
(Previous year 2,00,00,000 Equity shares of ₹ 10 each)		
Issued, subscribed and paid-up:		
1,23,45,630 Equity shares of ₹ 10/- each fully paid up	12,34,56,300	12,34,56,300
(Previous year 1,23,45,630 Equity shares of ₹ 10 each fully paid up)		
Total	**12,34,56,300**	**12,34,56,300**

2.1 Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

2.2 Details of equity shares held by shareholders holding more than 5% shares in the Company

	%	No. of Shares as at 31.03.2017	%	No. of Shares as at 31.03.2016
QH Talbros Private Ltd.	-	-	21.45	26,47,684
Talbros International Private Ltd.	35.40	43,70,022	8.50	10,49,321

3. Reserves and surplus :

Capital reserves		15,21,000		15,21,000
Securities premium account		46,78,30,274		46,78,30,274
Revaluation reserve		50,68,880		50,68,880
General reserve				
As per last balance sheet	4,98,22,715		4,48,22,715	
Add:Transferred from surplus balance in the Statement of Profit and Loss	50,00,000	5,48,22,715	5,0,00,000	4,98,22,715
Surplus balance in statement of profit and loss				
As per last balance sheet	62,97,47,851		57,51,88,072	
Profit for the year	10,44,50,638		8,18,48,144	
Less:- Allocations and appropriations				
Proposed dividend	1,85,18,445		1,85,18,445	
₹ 1.50 per share (previous year ₹ 1.50 per share)				
Corporate dividend tax	37,69,920		37,69,920	
Transferred to general reserve	50,00,000	70,69,10,124	50,00,000	62,97,47,851
Total		**1,23,61,52,993**		**1,15,39,90,720**

Notes to the Financial Statements
for the year ended March 31, 2017

4. Long term borrowings :

(Amount in ₹)

	Non-current portion		Current maturities		Total	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Secured, unless otherwise stated						
Term loans:						
From banks						
* IDFC Bank	39,98,672	-	-	-	39,98,672	-
** IndusInd Bank	-	-	-	1,03,25,000	-	1,03,25,000
Others						
(Against security of movable fixed assets)	1,11,64,034	35,61,015	44,67,913	47,95,479	1,56,31,947	83,56,494
	1,51,62,706	35,61,015	44,67,913	1,51,20,479	1,96,30,619	1,86,81,494
From Others						
*** Bajaj Finance Ltd.(Term Loan-I)	1,52,66,418	4,03,29,807	2,49,23,504	2,25,06,383	4,01,89,922	6,28,36,190
****Bajaj Finance Ltd.(Term Loan-II)	3,00,00,000	-	-	-	3,00,00,000	-
# Tata Capital Financial Services Ltd.	4,88,88,867	8,14,81,467	3,25,92,600	3,25,92,600	8,14,81,467	11,40,74,067
Others						
(Against security of movable fixed assets)	2,07,400	7,04,254	4,96,854	6,65,852	7,04,254	13,70,106
Deposits (Unsecured)						
Fixed deposits						
- From directors	5,00,000	10,00,000	5,00,000	-	10,00,000	10,00,000
- From others	5,64,19,000	4,13,08,000	1,62,72,000	2,15,49,000	7,26,91,000	6,28,57,000
Total	**16,64,44,391**	**16,83,84,543**	**7,92,52,871**	**9,24,34,314**	**24,56,97,262**	**26,08,18,857**
Amount disclosed under the head "Other Current Liabilities (Note no. 10)			7,92,52,871	9,24,34,314		

Notes:-

* Term Loan from IDFC bank carrying rate of interest @ 9.75 % per annum is secured by first charge on fixed assets to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors .

** Term Loan from IndusInd bank carrying rate of interest @ base rate plus 1 % per annum was secured by first charge by way of hypothecation over specific assets created out of the term loan both present and future, second paripassu charge over entire current assets of the Company both present and future and personal guarantee of two directors.

*** Term loan-I from Bajaj Finance Ltd carrying rate of interest @ 11.15 % to 12.15% per annum is secured by first and exclusive charge over existing plant & machinery of the Company's Gasket division situated at Faridabad and is further secured by personal guarantee of two directors.

**** Term loan-II from Bajaj Finance Ltd carrying rate of interest @ 9.65% per annum is secured by first and exclusive charge over existing plant & machinery of the Company's Gasket division situated at Faridabad and is further secured by personal guarantee of three directors.

\# Term loan from Tata Capital Financial Services Ltd. carrying rate of interest @ 10.75 % per annum is secured by first charge on all assets financed under this facility and is further secured by personal guarantee of three directors.

Notes to the Financial Statements
for the year ended March 31, 2017

4.1 Terms of repayment of long term borrowings (Amount in ₹)

Particulars	Maturity profile of long term borrowings					
	2017-18	2018-19	2019-20	2020-21	2021-22 & thereafter	Total
From Banks						
IDFC Bank	-	11,42,472	11,42,472	11,42,472	5,71,256	39,98,672
Against security of movable fixed assets	44,67,913	3,0,75,694	27,01,498	29,64,016	24,22,826	1,56,31,947
From Others						
Bajaj Finance Ltd.(Term Loan-I)	2,49,23,504	1,42,54,899	10,11,519	-	-	4,01,89,922
Bajaj Finance Ltd.(Term Loan-II)	-	58,93,728	70,50,302	77,61,571	92,94,399	3,00,00,000
Tata Capital Financial Services Ltd.	3,25,92,600	3,25,92,600	1,62,96,267	-	-	8,14,81,467
Deposits (unsecured)	1,67,72,000	2,71,69,000	2,97,50,000	-	-	7,36,91,000
Against security of movable fixed assets	4,96,854	2,07,400	-	-	-	7,04,254
Total	**7,92,52,871**	**8,43,35,793**	**5,79,52,058**	**1,18,68,059**	**1,22,88,481**	**24,56,97,262**

5. Deferred tax liabilities (net)

	Deferred tax assets / (liabilities) As at 31.03.2016	(Charge) / Credit during the year	Deferred tax assets / (liabilities) As at 31.03.2017
The deferred tax assets / (liabilities) comprise of the following :			
Depreciation	(8,77,89,366)	(35,15,463)	(9,13,04,829)
Disallowances u/s 43B	1,83,74,330	(41,22,032)	1,42,52,298
Unamortised expenditures of tools	(3,90,64,396)	3,90,64,396	-
Carry forward business losses	44,47,673	(44,47,673)	-
Provision for doubtful receivables / advances	87,53,244	37,74,279	1,25,27,523
Total	**(9,52,78,515)**	**3,07,53,507**	**(6,45,25,008)**
Previous year	(5,94,39,962)	(3,58,38,553)	(9,52,78,515)

6. Other long term liabilities

	As at March 31, 2017	As at March 31, 2016
Security deposits	22,26,000	22,26,000
Total	**22,26,000**	**22,26,000**

Notes to the Financial Statements
for the year ended March 31, 2017

7. Long-term provisions :

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Provision for leave encashment	1,59,51,118	1,25,66,950
Provision for gratuity	1,36,39,053	1,84,75,196
Total	**2,95,90,171**	**3,10,42,146**

8. Short term borrowings:

Secured, unless otherwise stated		
a) Working capital loans		
From Banks		
State Bank of India*	-	25,24,14,238
ICICI Bank*	-	90,87,455
IDFC Bank Ltd*	10,80,00,000	-
IndusInd Bank*	-	7,91,13,452
HDFC Bank Ltd*	37,55,14,619	17,95,00,000
HDFC Bank Ltd.(Unsecured)**	-	10,00,00,000
DBS Bank Ltd*	13,90,00,000	10,00,00,000
Yes Bank*	13,38,37,198	7,99,41,501
From Others (Unsecured)		
Bajaj Finance Ltd **	8,50,00,000	5,00,00,000
Tata Capital Financial Services Ltd**	-	2,98,30,709
b) Deposits (Unsecured)		
Fixed deposits from public	44,08,000	30,21,000
Inter-corporate deposit	1,00,00,000	1,00,00,000
Total	**85,57,59,817**	**89,29,08,355**

Notes:-

* Working capital loans from State Bank of India, ICICI Bank, DBS Bank, IndusInd Bank, Yes Bank and HDFC Bank are secured by way of first pari-passu charge on all current assets, both present & future. Further, secured by second pari- passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders and personal guarantee of two directors of the Company.

** Working capital loans from HDFC Bank, Bajaj Finance Ltd and Tata Capital Financial Services Limited are secured by personal guarantee of two directors of the Company.

Notes to the Financial Statements
for the year ended March 31, 2017

9. Trade payables:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Acceptances	43,61,27,400	41,01,91,520
"Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 37)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	49,49,02,247	48,25,21,371
(Refer Note no. 41)		
Total	**93,10,29,647**	**89,27,12,891**

10. Other current liabilities:

	As at March 31, 2017		As at March 31, 2016	
Current maturities of long term borrowings		7,92,52,871		9,24,34,314
Interest accrued but not due on borrowings		67,32,151		47,28,424
Interest accrued and due on borrowings		44,35,992		14,27,281
Liability towards investors education and protection fund*				
-Unclaimed dividend	15,84,092		13,77,489	
-Unclaimed matured deposits	45,02,414		39,47,245	
-Interest accrued on unclaimed matured deposits	21,10,991	81,97,497	20,37,138	73,61,872
Employee related payables		6,75,07,200		7,33,49,941
Statutory liabilities		3,15,47,498		3,06,96,030
Advance received from customers		2,29,25,444		1,53,53,980
Security deposits		54,10,000		5,10,000
Enhanced cost of land payable to HSIIDC		97,33,208		66,07,829
Others		94,00,699		95,66,120
Total		**24,51,42,560**		**24,20,35,791**

* There are no amounts due for payment to investors education and protection fund

11. Short-term provisions :

Leave encashment	61,15,506	59,37,923
Gratuity	3,0,00,000	60,00,000
Income Tax (net of advance tax)	-	8,89,119
Proposed dividend	1,85,18,445	1,85,18,445
Corporate dividend tax	37,69,920	37,69,920
Total	**3,14,03,871**	**3,51,15,407**

Notes to the Financial Statements
for the year ended March 31, 2017

12.1 . Property, plant & equipment

(Amount in ₹)

Description	Gross block					Depreciation / amortisation				Net block	
	Cost as at 01.04.2016	Adustment on re-classification**	Additions during the year	Deductions during the year	Cost as at 31.03.2017	As at 01.04.2016	For the year	Deductions during the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land											
-Freehold *	5,19,13,545		31,25,379	-	5,50,38,924	-	-	-	-	5,50,38,924	5,19,13,545
-Leasehold	4,13,98,978		-	-	4,13,98,978	35,02,037	4,59,800	-	39,61,837	3,74,37,141	3,78,96,941
Buildings	34,50,77,635		4,06,133	-	34,54,83,768	10,71,29,026	1,25,19,135	-	11,96,48,161	22,58,35,607	23,79,48,609
Leasehold improvements	15,78,718		-	-	15,78,718	3,06,547	3,67,857	-	6,74,404	9,04,314	12,72,171
Plant, machinery & equipments **	98,43,62,130	23,60,79,405	14,22,99,066	1,57,77,754	1,34,69,62,847	48,50,25,986	9,29,24,759	62,81,015	57,16,69,730	77,52,93,117	49,93,36,144
Motor vehicles	6,60,20,740		1,62,78,546	1,63,45,293	6,59,53,993	3,85,89,093	78,20,182	1,17,80,974	3,46,28,301	3,13,25,692	2,74,31,647
Furniture & fixtures	3,87,58,010		16,32,430	3,88,125	4,00,02,315	3,28,48,448	19,88,282	3,68,719	3,44,68,011	55,34,304	59,09,562
Office equipments	2,93,70,488		26,55,836	-	3,20,26,324	2,39,09,596	30,09,851	-	2,69,19,447	51,06,877	54,60,892
Electrical installation	7,85,78,042		67,00,897	-	8,52,78,939	3,46,80,192	64,91,388	-	4,11,71,580	441,07,359	4,38,97,850
Air-conditioning plant	78,11,888		-	-	78,11,888	45,93,641	8,93,399	-	54,87,040	23,24,848	32,18,247
Tube-well	1,0,51,423		-	-	10,51,423	9,98,853	-	-	9,98,853	52,570	52,570
Total	1,64,59,21,597	23,60,79,405	17,30,98,287	3,25,11,172	2,02,25,88,117	73,15,83,419	12,64,74,653	1,84,30,708	83,96,27,364	1,18,29,60,753	91,43,38,178
Less: Depreciation capitalised							**67,41,000**				
Total	**1,64,59,21,597**	**23,60,79,405**	**17,30,98,287**	**3,25,11,172**	**2,02,25,88,117**	**73,15,83,419**	**11,97,33,653**	**1,84,30,708**	**83,96,27,364**	**1,18,29,60,753**	**91,43,38,178**
Previous year	1,54,80,24,632		11,32,54,122	1,53,57,157	1,64,59,21,597	66,59,11,002	7,54,52,244	97,79,827	73,15,83,419	91,43,38,178	
Adjustment on reclassification**							3,85,58,000				
Previous year-Total							11,40,10,244				

12.2. Intangible assets

Computer software	1,98,22,488		9,47,780	-	2,07,70,268	1,93,40,071	3,42,282	-	1,96,82,353	10,87,915	4,82,417
Technical know-how	4,71,60,636		-	-	4,71,60,636	4,03,74,906	30,63,093	-	4,34,37,999	37,22,637	67,85,730
Total	**6,69,83,124**		**9,47,780**	**-**	**6,79,30,904**	**5,97,14,977**	**34,05,375**	**-**	**6,31,20,352**	**48,10,552**	**7,2,68,147**
Previous year	6,67,43,004		2,40,120	-	6,69,83,124	5,37,56,767	59,58,210	-	5,97,14,977	72,68,147	

12.3. Capital work in progress

Capital work in progress	-	91,77,396	1,49,99,915	1,36,55,426	1,05,21,885	-	-	-	-	1,05,21,885	-

12.4. Intangible assets under development

Computer software	56,45,648	-	4,86,169	-	61,31,817	-	-	-	-	61,31,817	56,45,648

* Includes Land valuing Rs. 4,65,25,676 (previous year Rs. 4,65,25,676) for which the title is yet to be registered in the Company's name.

** Moulds & Dies used in production have been re-classified under property, plant and equipment as against inventories effective from 1st April, 2016 in compliance with revised Accounting Standard-10 'Property, Plant and Equipment' notified on 30th March,2016 and accordingly, the amortisation on Moulds and Dies has been re-classified under Depreciation in place of Other Expenditure. However, this has no bearing on the profitability of the Company.

Notes to the Financial Statements
for the year ended March 31, 2017

13. Non-current investments:

(A.mount in ₹)

	As at March 31, 2017	As at March 31, 2016
Unquoted : at cost		
a) Trade investments:		
In Joint Ventures		
-Nippon Leakless Talbros Private Limited		
48,00,000 Equity shares (previous year 48,00,000 Equity shares) of ₹ 10/- each fully paid up	4,80,00,000	4,80,00,000
- Magneti Marelli Talbros Chassis Systems Private Limited		
1,17,80,000 Equity shares (previous year 1,17,80,000 Equity shares) of ₹ 10/- each fully paid up	11,78,00,000	11,78,00,000
- Talbros Marugo Rubber Private Limited		
85,00,000 Equity shares (previous year 85,00,000 Equity shares) of ₹ 10/- each fully paid up	8,50,00,000	8,50,00,000
Others		
QH Talbros Private Limited		
1,77,962 Equity shares (previous year 1,77,962 Equity shares) of ₹ 10/- each fully paid	-	-
Talbros International Private Limited		
13,26,970 Equity shares (previous year 11,67,101 Equity shares) of ₹ 10/- each fully paid	6,42,31,404	5,57,46,060
b) Non trade investments :		
T & T Motors Private Limited		
83,333 Equity shares (previous year 83,333 Equity shares) of ₹ 10/- each fully paid	13,74,990	13,74,990
Caparo Power Limited		
"11,47,134 Equity shares (previous year 11,47,134 Equity shares) of ₹ 10/- each fully paid up"	1,14,71,340	1,14,71,340
"2,54,920, 2% Cumulative redeemable preference shares (previous year 2,54,920 shares) of ₹ 10/- each fully paid up"	25,49,200	25,49,200
In Mutual funds		
1,00,000 units (previous year 1,00,000 units) of ₹ 10/- each of SBI Infrastructure Fund-1-Growth	10,00,000	10,00,000
Total	**33,14,26,934**	**32,29,41,590**
Notes:		
Book value of unquoted investments	33,14,26,934	32,29,41,590
Net asset value of mutual funds	13,63,490	10,62,390

Notes to the Financial Statements
for the year ended March 31, 2017

14. Long term loans and advances :

(A.mount in ₹)

	As at March 31, 2017	As at March 31, 2016
Unsecured - considered good		
Capital advances	1,33,09,162	72,47,576
Security deposits	1,17,18,472	1,03,84,433
Advance income tax (net of provision)	20,74,863	-
MAT credit entitlement	7,10,76,967	9,96,47,586
Total	**9,81,79,464**	**11,72,79,595**

15. Other non-current assets

Unsecured - considered good		
Bank deposits with more than 12 months maturity	57,21,319	47,35,104
(Under lien with banks as security against borrowings)		
Total	**57,21,319**	**47,35,104**

16. Inventories:

(Valued at lower of cost or net realisable value unless otherwise stated)		
Raw material	25,96,18,487	28,62,35,274
Work in progress	54,48,80,770	56,37,94,688
Finished goods	14,91,84,873	15,31,69,163
Stock in trade	68,717	4,13,303
Moulds & Dies	-	23,60,79,404
Stores & spares	3,38,29,488	3,87,91,517
Total	**98,75,82,335**	**1,27,84,83,349**
The above includes goods in transit as under:		
Raw material	5,73,40,073	5,96,91,618
Stores & spares	1,02,788	4,26,770
16.1 Work in progress:		
Gaskets	46,83,79,282	49,19,64,335
Forgings	7,65,01,488	7,18,30,353
Total	**54,48,80,770**	**56,37,94,688**

Notes to the Financial Statements
for the year ended March 31, 2017

17. Trade receivables:

(Amount in ₹)

	As at March 31, 2017		As at March 31, 2016	
Unsecured - considered good unless otherwise stated				
Outstanding for a period exceeding six months from the due date of payment				
- Considered good	6,63,74,185		6,17,30,605	
- Considered doubtful	2,72,95,811	9,36,69,996	1,08,63,963	7,25,94,568
Other receivables : considered good		71,92,38,051		64,54,80,341
		81,29,08,047		71,80,74,909
Less : Provision for doubtful trade receivables		2,72,95,811		1,08,63,963
Total		**78,56,12,236**		**70,72,10,946**

17.1 Trade receivables from private companies in which directors are interested

Talbros Marugo Rubber Private Limited		77,93,100		54,30,600
Total		**77,93,100**		**54,30,600**

18. Cash and bank balances :

(a) Cash and cash equivalents				
Balances with banks		2,94,55,258		68,74,286
Cash on hand		49,47,749		34,15,234
		3,44,03,007		1,02,89,520
(b) Other bank balances				
Margin money deposits (pledged with banks)		2,12,54,274		2,41,41,874
Term deposits *		70,97,174		1,23,37,341
Earmarked balances with banks for unclaimed dividend		15,84,092		13,77,489
		2,99,35,540		3,78,56,704
Total		**6,43,38,547**		**4,81,46,224**

(* includes deposits with original maturity of more than 12 months ₹ 58,47,174/- previous year ₹ 1,08,37,341/-)

Notes to the Financial Statements
for the year ended March 31, 2017

19. Short term loans and advances:

(Amount in ₹)

	As at March 31, 2017		As at March 31, 2016	
Unsecured - considered good unless otherwise stated				
Loans and advances to related parties		68,80,185		71,86,084
Inter corporate deposits		4,90,00,000		4,90,00,000
Advances recoverable in cash or in kind or for value to be received				
- Considered good	2,89,06,362		4,95,71,243	
- Considered doubtful	38,61,421		1,28,43,719	
	3,27,67,783		6,24,14,962	
Less : Provision for doubtful advances	38,61,421	2,89,06,362	1,28,43,719	4,95,71,243
Balances with central excise & other authorities				
- Considered good	11,11,48,136		11,68,44,924	
- Considered doubtful	50,49,481		20,44,728	
	11,61,97,617		11,88,89,652	
Less : Provision for doubtful advances	50,49,481	11,11,48,136	20,44,728	11,68,44,924
Claim Receivables		-		3,49,266
Total		**19,59,34,683**		**22,29,51,517**

19.1 Advances to related parties include:

QH Talbros Private Limited	31,18,974	30,87,673
Talbros International Private Limited	10,62,207	6,24,507
Magneti Marelli Talbros Chassis Systems Private Limited	26,99,004	34,73,904
Total	**68,80,185**	**71,86,084**

20. Other current assets :

Unsecured - considered good		
Interest accrued on deposits	1,25,10,233	81,50,369
Total	**1,25,10,233**	**81,50,369**

21. Revenue from operations :

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products	3,44,18,70,302	3,23,25,32,453
Sale of services	42,95,000	55,77,840
Other operating revenues	12,73,07,674	13,28,51,683
	3,57,34,72,976	3,37,09,61,976
Less: Excise duty	28,55,11,767	27,01,09,916
Total	**3,28,79,61,209**	**3,10,08,52,060**

Notes to the Financial Statements
for the year ended March 31, 2017

21.1: Revenue from operations (gross) include: (Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
Gaskets	2,71,14,51,197	2,58,22,68,637
Forgings	73,04,19,105	65,02,63,816
Management fees	30,00,000	30,00,000
Others	12,86,02,674	13,54,29,523
Total	**3,57,34,72,976**	**3,37,09,61,976**

22. Other income:

Interest income on :		
-Inter corporate deposits	63,53,259	67,45,796
-Fixed deposits with banks	29,38,326	32,97,357
-Others	49,732	2,34,913
Dividend income from:		
-Long term trade investments	2,69,33,886	2,45,33,886
-Long term non-trade investments	3,63,884	3,63,744
Royalty	1,14,62,570	1,15,71,070
Lease rentals	1,17,43,716	1,39,82,904
Net gain on foreign currency transactions & translation	2,29,23,046	-
Profit on sale of property, plant and equipment (net)	37,70,572	-
Other non operating income	9,87,058	23,15,175
Total	**8,75,26,049**	**6,30,44,845**

23(a) Cost of raw materials consumed:

Opening inventories	28,62,35,274	32,77,49,843
Add:Purchases	1,73,27,36,247	1,70,76,64,657
Less:Closing inventories	25,96,18,487	28,62,35,274
Cost of raw materials consumed	**1,75,93,53,034**	**1,74,91,79,226**
Cost of raw materials consumed include		
Tinplate/P.C.R.C.A/steel	52,93,84,511	55,77,20,674
Jointing	57,07,48,028	57,03,73,451
Forging steels	35,34,75,406	32,62,46,537
Bought out auto components and parts	18,12,19,996	16,15,52,616
Others	12,45,25,093	13,32,85,948
Total	**1,75,93,53,034**	**1,74,91,79,226**

23(b) Purchases of Stock-in-Trade

(Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
Dyna bond	2,36,84,166	2,67,24,599
	2,36,84,166	**2,67,24,599**

24. Changes in inventories of finished goods, work in progress & stock-in-trade :

Closing inventories		
Finished goods	14,91,84,873	15,31,69,163
Work-in-progress	54,48,80,770	56,37,94,688
Stock-in-trade	68,717	4,13,303
Total	**69,41,34,360**	**71,73,77,154**
Less :		
Opening inventories		
Finished goods	15,31,69,163	15,67,34,799
Work-in-progress	56,37,94,688	44,98,95,458
Stock-in-trade	4,13,303	1,52,612
Total	**71,73,77,154**	**60,67,82,869**
(Increase)/decrease in inventories of finished goods, work-in-progress & stock-in-trade	**2,32,42,794**	**(11,05,94,285)**

25. Employee benefits expense :

Salaries and wages	40,45,10,576	36,98,23,174
Contribution to provident and other funds	2,31,66,328	3,00,73,885
Staff welfare expenses	3,54,26,418	3,56,73,340
Total	**46,31,03,322**	**43,55,70,399**

26. Finance costs :

Interest expense	14,40,33,508	15,25,77,259
Other borrowing cost	1,34,81,627	1,36,71,223
Total	**15,75,15,135**	**16,62,48,482**

27. Depreciation and amortisation expense :

Depreciation	11,97,33,653	11,40,10,244
Amortisation	34,05,375	59,58,210
Total	**12,31,39,028**	**11,99,68,454**

Notes to the Financial Statements
for the year ended March 31, 2017

28. Other expenses :

(Amount in ₹)

	Year Ended March 31, 2017		Year Ended March 31, 2016	
Consumption of stores & spares parts		17,46,60,999		11,99,40,229
Labour & processing charges		3,54,41,069		3,84,50,444
Royalty		13,74,052		19,70,564
Power & fuel		12,49,37,569		12,76,49,685
Rent		1,19,16,192		1,15,29,237
Repairs to buildings		86,25,421		45,27,250
Repairs to plant & machinery		3,35,33,572		4,24,45,586
Repairs to other assets		1,09,60,166		81,46,764
Insurance		66,34,557		60,85,616
Travelling, tour & conveyance		5,40,50,402		5,76,59,112
Discount on sales		3,91,71,964		4,14,61,341
Sales promotion expenses		2,63,35,918		2,66,10,731
Packing, freight & forwarding		8,19,81,150		9,06,79,665
Rates and taxes		31,53,165		51,64,728
Corporate social responsibility expenditure (Refer Note no. 42)		18,85,000		17,22,000
Provision for doubtful trade receivables/ advances		2,16,63,359		85,17,136
Advances written off	1,12,09,056		13,33,629	
Less:Provision written back	1,12,09,056	-	13,33,629	-
Loss on sale of fixed property, plant and equipment (net)		-		66,655
Excise duty on increase/(decrease) of inventories of finished goods		5,71,816		4,25,052
Net loss on foreign currency transactions & translation		-		78,29,948
Miscellaneous expenses		6,09,68,803		5,89,19,816
Total		**69,78,65,174**		**65,98,01,559**

Notes to the Financial Statements
for the year ended March 31, 2017

29. Contingent liabilities and commitments:

'(to the extent not provided for)

29.1. Contingent liabilities:

i) Claims against the Company not acknowledged as debts: (Amount in ₹)

		Nature of dues	As at March 31, 2017	As at March 31, 2016
a)	Central excise	Demand for dispute of classification of paper gasket	-	14,17,866
b)	Service tax	Cenvat credit disallowed	11,52,989	11,52,989
c)	Central sales tax	Central Sales Tax	4,97,936	4,97,936
d)	Haryana value added tax	Disallowance of input tax	2,73,548	2,73,548
e)	Customs Act	Demand of custom duty (includes ₹ 4,12,900 paid under protest, previous year ₹ 28,78,364)	36,09,337	60,74,801
f)	Employee's state insurance	ESI Demand	47,56,527	47,56,527
g)	Income tax	Income tax demand on disallowance of expenditures	39,54,798	39,54,798
h)	District judge	Claim of freight bills	8,13,484	8,13,484
i)	High Court, Mumbai	Fees for building work	-	55,000
j)	Central excise	Objection on exemption on some of the products sold from Sitarganj Plant (includes amount paid under protest ₹ 80,00,000, previous year ₹ 80,00,000)	4,40,89,686	4,40,89,686
k)	Municipal Corporation of Faridabad	Demand for external development charges	2,55,00,000	2,55,00,000
l)	Labour disputes	Litigations filed by employees	4,3,00,369	43,00,369
m)	Civil Judge	Claim filed by BSNL Ltd	2,41,367	2,41,367
n)	Bonus Payable*	Bonus payable for financial year 2014-15	40,22,857	40,22,857
			9,32,12,898	**9,71,51,228**

* Retrospective bonus liability for financial year 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

ii) Guarantees executed in favour of various authorities/customers/others amounting to ₹ 5,32,663 (previous year ₹ 11,06,931)

29.2 Estimated amount of contracts remaining to be executed on capital account and not provided for:
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 3,88,17,977 (previous year ₹ 54,10,497)

30. Disclosure on details of Specified Bank Notes(SBN) helf and transacted during the period from 08.11.2016 to 30.12.2016 is as under:

Particulars	SBN*	Other Denomination Notes	Total
Closing cash in hand as on 08th November 2016	77,44,000	3,25,632	80,69,632
(+) Permitted receipts	-	20,78,319	20,78,319
(-) Permitted payments	3,000	13,97,794	14,00,794
(-) Amount deposited in Banks	77,41,000	-	77,41,000
Closing cash in hand as on 30 December 2016	-	10,06,157	10,06,157

* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, Department of Economic affairs No.S.O.3407 (E), dated 08th November 2016

Notes to the Financial Statements
for the year ended March 31, 2017

31. Composition of Raw materials and components consumed:- imported & indigenous:

(Amount in ₹)

	%	Year ended March 31, 2017	%	Year ended March 31, 2016
Imported	41.01%	72,15,61,193	43.43%	75,96,10,218
Indigenous	58.99%	1,03,77,91,841	56.57%	98,95,69,008
Total	**100.00%**	**1,75,93,53,034**	**100.00%**	**1,74,91,79,226**

32. Composition of Stores and spares consumed:- imported & indigenous:

Imported	0.15%	2,57,931	0.62%	7,43,126
Indigenous	99.85%	17,44,03,068	99.38%	11,91,97,103
Total	**100.00%**	**17,46,60,999**	**100.00%**	**11,99,40,229**

33. Payment to Auditors:

-As auditors:		
Audit fee	7,10,000	7,10,000
Tax audit fee	2,30,000	2,30,000
-In other capacity:		
Limited review	2,52,000	2,62,000
Other services	4,08,000	5,98,500
	16,00,000	18,00,500
Service Tax	2,40,000	2,56,159
Total	**18,40,000**	**20,56,659**

34. Foreign currency transactions:

34.1 Value of imports calculated on C.I.F basis:

a) Raw materials, stores & spares	65,82,33,664	58,88,60,228
b) Plant and machinery	1,42,88,863	9,18,314

34.2 Expenditures:

a) Selling agency commission	17,76,525	13,40,835
b) Foreign travel	1,50,02,944	1,83,33,854
c) Royalty	1,3,74,052	19,70,565
d) Professional fees	8,52,818	5,23,880
e) Research & Development	26,891	-

34.3 Remittande in foreign currency on account of dividend (Amount in ₹)

Year	No. of shares held	No. of non residents	Year ended March 31, 2017	Year ended March 31, 2016
2015-16	365752	23	5,48,633	5,50,133

34.4 Earnings in Foreign exchange:

Value of exports on F.O.B. basis	65,19,29,497	59,89,28,949

35. Excise duty:

The finished goods at Sohna plant (material division), Gurgaon is considered as raw material for the Company because the same is used for manufacturing gaskets at Faridabad and other plants. Accordingly the excise duty liability on excisable goods manufactured at Sohna, but pending removal / clearance from the factory premises as at 31.03.2017, estimated at ₹ 4,49,553 (previous year ₹ 3,88,921) is not accounted for. If the said liability would have been accounted, it would have resulted in a higher charge of excise duty with corresponding adjustment of liability and a higher inventory by ₹ 4,49,553 (previous year ₹ 3,88,921). However, this would have no effect on the net profit of the Company for the accounting year or on the net current assets as at 31.03.2017.

36. Balance with central excise & other authorities includes ₹ 80 lacs (previous year ₹ 80 lacs) deposited by the company as advance excise duty in view of investigation by the excise department, objecting excise exemption on some of the products sold from Sitarganj Plant. The matter is still to be decided.

37. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure required under schedule III of the Companies Act, 2013 has not been given.

38. Segment reporting:

a) Primary segment:

The Company's operations comprise of only one segments viz , "Auto Components & Parts".

b) Secondary segment:

The Company caters to the needs of the Indian as well as foreign market. The risk and returns vary from country to country and export to none of the countries exceeds 10% of the sales turnover of the Company. Hence it is not reportable.

39. Related party disclosures:

A) Names of the related parties and nature of relationship:

i) Jointly controlled entities

Nippon Leakless Talbros Private Limited
Magneti Marelli Talbros Chassis Systems Private Limited
Talbros Marugo Rubber Private Limited

ii) Investing party in respect of which the Company is an associate

Talbros International Private Limited

iii) Key management personnel and their relatives

Mr. Umesh Talwar
Mr. Anuj Talwar
Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)

iv) Enterprise over which key management personnel exercise significant influences

QH Talbros Private Limited

Notes to the Financial Statements
for the year ended March 31, 2017

(Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
B) Transactions with related parties:		
I) Transactions with Joint Ventures and Associates		
a) Sale of goods	**23,56,97,202**	**21,81,69,358**
QH Talbros Private Limited	23,48,75,251	21,81,69,358
Nippon Leakless Talbros Private Limited	821,951	-
b) Sale of services	**34,50,000**	**34,27,500**
Talbros Marugo Rubber Private Limited	34,50,000	34,27,500
c) Royalty income	**1,38,74,008**	**1,39,16,532**
QH Talbros Private Limited	1,38,74,008	1,39,16,532
d) Purchase of goods	**1,23,81,546**	**1,87,72,500**
Nippon Leakless Talbros Private Limited	1,21,80,990	1,87,72,500
QH Talbros Private Limited	1,74,180	-
Talbros Marugo Rubber Private Limited	26,376	-
e) Dividend received	**2,69,33,886**	**2,45,33,886**
Nippon Leakless Talbros Private Limited	2,64,00,000	2,40,00,000
QH Talbros Private Limited	5,33,886	5,33,886
f) Lease rental income	**1,37,09,289**	**1,57,30,223**
Magneti Marelli Talbros Chassis Systems Private Limited	1,37,09,289	1,57,30,223
g) Reimbursement of expenses/payments	**1,46,43,499**	**2,10,74,665**
Magneti Marelli Talbros Chassis Systems Private Limited	13,471,084	1,03,12,320
Talbros Marugo Rubber Private Limited	1,10,208	2,18,688
Talbros International Private Limited	10,62,207	1,05,43,657
h) Investment in Equity share capital during the year	**-**	**4,75,00,000**
Magneti Marelli Talbros Chassis Systems Private Limited	-	4,75,00,000
i) Outstanding balance included in trade receivables	**7,58,18,080**	**8,89,92,929**
Talbros Marugo Rubber Private Limited	77,93,100	54,30,600
QH Talbros Private Limited	6,80,24,980	8,35,62,329
j) Outstanding balance included in loans and advances	**68,80,185**	**71,86,084**
Magneti Marelli Talbros Chassis Systems Private Limited	26,99,004	34,73,904
Talbros International Private Limited	1,062,207	6,24,507
QH Talbros Private Limited	31,18,974	30,87,673
k) Outstanding balance included in trade payables / other long term liabilities	**71,00,244**	**65,28,927**
Nippon Leakless Talbros Private Limited	48,47,868	43,02,927
Magneti Marelli Talbros Chassis Systems Private Limited	22,26,000	22,26,000
Talbros Marugo Rubber Private Limited	26,376	-
II) Transactions with key management personnel		
Remuneration*	**1,84,73,302**	**1,66,85,614**
Mr. Umesh Talwar	1,08,42,396	1,08,24,287
Mr. Varun Talwar	-	19,72,400
Mr. Anuj Talwar	76,30,906	38,88,927

*Provision for contribution to gratuity fund and leave encashment on retirement which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

III) Transactions with relatives of key management personnel		
Rent paid	**7,20,000**	**7,20,000**
Mrs. Kum Kum Talwar	7,20,000	7,20,000

Notes to the Financial Statements
for the year ended March 31, 2017

40. Employee benefits:

(Amount in ₹)

	Year ended March 31, 2017		Year ended March 31, 2016	
40.1 Defined contribution plans:				
(a) Employer's contribution to superannuation fund	17,55,911		2,2,63,923	
(b) Employers contribution to provident and other funds	1,82,05,457		1,77,39,947	
40.2 Defined benefit plans:	**Gratuity**		**Leave encashment**	
a) Gratuity and leave encashment	**2016-17**	**2015-16**	**2016-17**	**2015-16**
i) Change in the present value of the obligation:				
- Obligation at the beginning of the year	5,61,16,352	5,10,53,849	1,25,66,950	1,37,76,795
- Current service cost	47,07,750	47,29,616	72,56,560	57,71,104
- Interest cost	37,54,700	37,93,618	7,13,000	9,05,897
- Actuarial gains/ loss	(52,95,217)	12,94,309	15,35,173	(32,67,358)
- Benefits paid during the year	(1,21,07,372)	(47,55,040)	(61,20,565)	(46,19,488)
- Obligation at the end of the year	**4,71,76,213**	**5,61,16,352**	**1,59,51,118**	**1,25,66,950**
ii) Change in the fair value of the plan assets				
- Plan assets at the beginning of the year	3,16,41,156	2,72,75,231	-	-
- Expected return on plan assets	20,03,376	25,37,078	-	-
- Contributions by employer	90,00,000	69,50,000	-	-
- Benefits paid during the year	(1,21,07,372)	(51,21,153)	-	-
- Plan assets at the end of the year	**3,05,37,160**	**3,16,41,156**	**-**	**-**
iii) Amount of obligations & assets recognized in the balance sheet				
- Present value of obligations at the end of the year	4,71,76,213	5,61,16,352	1,59,51,118	1,25,66,950
- Fair value of assets at the end of the year	3,05,37,160	3,16,41,156	-	-
- Net obligation recognized in the balance sheet	**1,66,39,053**	**2,44,75,196**	**1,59,51,118**	**1,25,66,950**
iv) Expenses recognized in the Statement of Profit & Loss				
- Current service cost	47,07,750	47,29,616	72,56,560	57,71,104
- Interest cost	37,54,700	37,93,618	7,13,000	9,05,897
- Expected return on plan assets	(20,03,376)	(23,98,940)	-	-
- Actuarial gains/ loss	(52,95,217)	11,96,368	15,35,173	(32,67,358)
Total	**11,63,857**	**73,20,662**	**95,04,733**	**34,09,643**

Notes to the Financial Statements
for the year ended March 31, 2017

	Year ended March 31, 2017		Year ended March 31, 2016	
v) Actuarial assumptions				
- Mortality rate	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE
- Withdrawal rate	1%to 3% depending on age	1%to 3% depending on age	1%to 3% depending on age	1%to 3% depending on age
- Discount rate	7.50%	8.00%	7.50%	8.75%
- Salary escalation	6.00%	6.00%	6.00%	6.00%
-Expected rate of return on Plan Assets	8.25%	8.51%		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

41. Letters seeking confirmation of outstanding balances at year end have been sent to all the customers / suppliers / recoverables. Confirmations have been received in few cases. Adjustments, if any, will be made in the current year on receipt / reconciliation of remaining confirmations.

42. In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has during the financial year ending 31st March 2017 spent in pursuance of its corporate social responsibility policy as follows:-

	2016-17	2015-16
a) Gross amount required to be spent by the Company during the year	18,85,000	17,22,000
b) Amount spent during the year on:-		
- Contribution to Prime Minister's National Relief Fund	-	3,61,000
- Donation paid to Charitable Trust	18,85,000	13,61,000

43(A). Disclosure required under section 186 (4) of the Companies Act, 2013:

a) Investments made (Amount in ₹)

Name of the investee	Amount invested during the year 2016-17	Amount as on March 31, 2017	Amount invested during the year 2015-16	Amount as on March 31, 2016
a. Trade investments:				
In Joint Ventures				
1. Nippon Leakless Talbros Private Limited	-	4,80,00,000	-	4,80,00,000
2. Magneti Marelli Talbros Chassis Systems Private Limited	-	11,78,00,000	4,75,00,000	11,78,00,000
3. Talbros Marugo Rubber Private Limited	-	8,50,00,000	-	8,50,00,000
In Investing party in respect of which the Company is an associate				
4. Talbros International Private Limited	8,4,85,344	6,42,31,404	1,50,00,048	5,57,46,060
b. Non trade investments:				
5. T & T Motors Private Limited	-	13,74,990	-	13,74,990
6. Caparo Power Limited - Equity shares	-	1,14,71,340	-	1,14,71,340
7. Caparo Power Limited - Preference shares	-	25,49,200	-	2,5,49,200
8. SBI Mutual Funds	-	10,00,000	-	10,00,000
Total	**84,85,344**	**33,14,26,934**	**6,25,00,048**	**32,29,41,590**

b) Inter corporate deposits given (proposed to be utilised for business purposes): (Amount in ₹)

Name of the payee	Paid / (recovered) during the year 2016-17	Outstanding amount as on March 31, 2017	Paid / (recovered) during the year 2015-16	Outstanding amount as on March 31, 2016
1. Real Earth Estates Private Limited	(4,00,00,000)	-	-	4,00,00,000
2. Friends Auto (India) Limited	-	50,00,000	-	50,00,000
3. Paras Lubricants Limited	-	-	(50,00,000)	-
4. Prasneeta Construction Private Limited	(40,00,000)	-	-	40,00,000
5. Fastech Builders Private Limited	65,00,000	65,00,000	-	-
6. Fastech Projects Private Limited	55,00,000	55,00,000	-	-
7. Express Engineers & Spares Private Limited	2,80,00,000	2,80,00,000	-	-
8. Sudhir Ready Genset Consortium	40,00,000	40,00,000	-	-
Total	**-**	**4,90,00,000**	**(50,00,000)**	**4,90,00,000**

43. (B) During the year ended March 31, 2017, the Company has capitalied following expenses under Property, plant and equipment

Nature of expense	Amount
Salaries and wages	1,57,54,906
Depreciation	67,41,000
Power and fuel	80,68,667
Repairs and maintenance	48,42,000
Total	**3,54,06,573**

Notes to the Financial Statements
for the year ended March 31, 2017

44. Interest in Joint Ventures:

The Company has the following investments in jointly controlled entities: (Amount in ₹)

Name of the entity	Country of incorporation	Ownership interest
Nippon Leakless Talbros Private Limited	India	40%
Magneti Marelli Talbros Chassis Systems Private Limited	India	50%
Talbros Marugo Rubber Private Limited	India	50% less one share

The Company's share of each of the assets, liabilities, income, expenses, etc (each after elimination of the effect of transactions between the Company and the Joint Venture) related to its interest in these joint venture, based on the audited financial statements are:

	As at March 31, 2017	As at March 31, 2016
a) Assets		
Property, plant and equipment (including capital work-in-progress and intangible assets)	27,51,47,123	25,51,92,079
Long-term loans and advances	1,19,65,214	2,29,54,991
Inventories	12,68,43,572	13,24,32,512
Trade receivables	11,71,69,072	9,08,15,688
Cash and bank balances	6,06,12,767	3,32,13,719
Short-term loans and advances	1,20,76,168	2,00,45,856
Other current assets	3,28,334	1,59,08,402
b) Liabilities		
Long-term borrowings	3,69,08,075	6,03,37,829
Deferred tax liabilities (net)	(2,35,40,029)	(2,41,67,927)
Long-term provisions	40,32,317	29,08,592
Short-term borrowings	1,20,00,000	1,27,37,430
Trade payables	21,27,13,493	17,53,06,401
Other current liabilities	5,10,41,110	5,33,14,746
Short-term provisions	17,75,579	(6,41,510)
c) Income	99,20,30,479	81,37,47,332
d) Expenses	93,92,33,290	79,84,89,812
e) Other matters		
Contingent liabilities	2,45,56,227	1,90,11,896
Capital commitments	77,60,209	42,84,763

Notes to the Financial Statements
for the year ended March 31, 2017

45 Earnings per share:

(Amount in ₹)

Basic and diluted earnings per share	Year ended March 31, 2017	Year ended March 31, 2016
a) Calculation of weighted average number of Equity shares		
Number of equity shares at the beginning of the year	1,23,45,630	1,23,45,630
Number of equity shares at the end of the year	1,23,45,630	1,23,45,630
Weighted average number of equity shares outstanding during the year	1,23,45,630	1,23,45,630
b) Net Profit after tax available for equity shareholders	10,44,50,638	8,18,48,144
c) Basic and diluted earnings per share (Face value of ₹ 10 each)	8.46	6.63

46. The Company is entitled for Minimum Alternate Tax (MAT) Credit amounting to ₹ 7,10,76,967 (previous year ₹ 9,96,47,586) to be adjusted against company's future normal tax liabilities as per provisions of Income Tax Act, 1961. The management of the Company, based on the future projections, is of the opinion that the entire MAT credit will be utilised and therefore, no provisioning has been made.

47(A) The Company has taken few / commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.

(b) The Company has also taken a commercial premise under non-cancellable operating lease. There are no restrictions placed upon the Company by entering into this lease and there is no sublease. The lease arrangement is for a period of 5 years. The total of future minimum lease payments in respect of such lease are as follows:

	2016-17	2015-16
(a) not later than one year	75,48,639	71,89,182
(b) later than one year and not later than five years	1,12,95,447	1,88,44,086
(c) later than five years		
	1,88,44,086	**2,60,33,268**
Lease payments recognized in the Statement of Profit and Loss as rent expense for the year	**74,18,249**	**77,71,794**

The Company has also given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 1,17,43,716 (Previous year ₹ 1,39,82,904) on such lease is included in Other Incomes.
With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

	2016-17	2015-16
(a) not later than one year	-	1,31,77,060
(b) later than one year and not later than five years	-	-
(c) later than five years	-	-
	-	1,31,77,060

Notes to the Financial Statements
for the year ended March 31, 2017

48. Derivative instruments and unhedged foreign currency exposures:

a) The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Forward contracts to sell (export)		
EURO	-	12,00,000
₹	-	9,26,57,375
Forward contracts to purchase (import)		
JPY	64,03,840	-
₹	39,50,416	-
USD	7,69,914	-
₹	5,22,27,261	-
b) Particulars of unhedged foreign currency exposures as at year end:		
I) Import trade payables:		
EURO	16,54,640	13,53,237
₹	11,54,60,804	10,39,96,253
USD	32,26,483	28,09,333
₹	21,05,60,252	18,93,49,062
GBP	2,263	7,539
₹	1,84,982	7,32,830
SAD	540	-
₹	25,353	-
JPY	2,18,61,033	5,78,24,370
Rs	1,27,71,215	3,53,42,255
ii) Export trade receivables:		
EURO	15,58,340	6,62,787
₹	10,69,95,629	4,83,63,595
USD	13,68,429	14,76,238
₹	8,82,08,906	9,54,53,529
GBP	76,338	60,029
₹	6,1,18,482	55,58,730
AUD	2,233	28,298
₹	1,09,546	13,88,861

48. Previous year's figures have been regrouped wherever considered necessary to conform to this year's classification.

Independent Auditor's Report

Independent Auditor's Report

Tothe Members of Talbros Automotive Components Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Talbros Automotive Components Limited, ("the Company") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the Company and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and its jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at March 31, 2017, and their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

   b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

   c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e) on the basis of the written representations received from the directors of the Company and its jointly controlled entities as on March 31, 2017 and taken on record by the Board of Directors of the Company and its jointly controlled entities none of the directors of the Company and its jointly controlled entities,is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities – Refer Note no. 30 to the consolidated financial statements;

(ii) The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities during the year ended March 31,2017; and

iv) The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained and as produced to us by the Management of the Company and its jointly controlled entities – Refer Note no. 31 to the consolidated financial statements.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Talbros Automotive Components Limited (hereinafter referred to as"the Company") and its jointly controlled entities,which are companies incorporated in India,as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its jointly controlled companies as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Company and its jointly controlled entities as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (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 Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co.)
Chartered Accountants
Firm Registration No.: 000050N/N500045

Suresh Seth
Partner
Membership No.: 10577

Place: New Delhi
Date: May 24, 2017

Consolidated Balance Sheet

as at March 31, 2017

Amount in ₹

Particulars	Note No.	As at March 31, 2017		As at March 31, 2016	
EQUITY AND LIABILITIES:					
Shareholders' funds:					
Share capital	2	12,34,56,300		12,34,56,300	
Reserves and surplus	3	1,29,56,77,698	1,41,91,33,998	1,19,39,58,405	1,31,74,14,705
Non-Current Liabilities					
Long term borrowings	4	20,33,52,466		22,87,22,372	
Deferred tax liabilities (net)	5	4,09,84,979		7,11,10,589	
Other long term liabilities	6	11,13,000		22,26,000	
Long term provisions	7	3,36,22,488	27,90,72,933	3,39,50,738	33,60,09,699
Current Liabilities					
Short term borrowings	8	86,77,59,817		90,56,45,785	
Trade payables					
-Total outstanding dues of micro enterprises and small enterprises	38	-		-	
-Total outstanding dues of creditors other than micro enterprises and small enterprises	9	1,14,37,43,140		1,06,80,19,292	
Other current liabilities	10	29,61,83,670		29,53,50,537	
Short term provisions	11	3,31,79,450	2,34,08,66,077	3,44,73,897	2,30,34,89,511
Total			**4,03,90,73,008**		**3,95,69,13,915**
ASSETS:					
Non-Current Assets					
-Property, plant and equipment	12.1	1,43,83,54,654		1,14,31,22,794	
-Intangible assets	12.2	2,24,31,259		2,53,29,965	
-Capital work in progress	12.3	1,26,54,400		83,45,644	
-Intangible assets under development	12.4	61,31,817	1,47,95,72,130	56,45,648	1,18,24,44,051
Non current investments	13		8,06,26,934		7,21,41,590
Long term loans and advances	14		11,01,44,678		14,02,34,587
Other non current assets	15		57,21,319		47,35,104
Current Assets					
Inventories	16	1,11,44,25,907		1,41,09,15,861	
Trade receivables	17	90,27,81,308		79,80,26,635	
Cash and bank balances	18	12,49,51,314		8,13,59,943	
Short term loans and advances	19	20,80,10,851		24,29,97,373	
Other current assets	20	1,28,38,567	2,36,30,07,947	2,40,58,771	2,55,73,58,583
Total			**4,03,90,73,008**		**3,95,69,13,915**
Summary of significant accounting policies	1				

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

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2017		Year Ended March 31, 2016	
INCOME					
Revenue from operations (gross)	**21**	4,68,30,52,275		4,27,82,79,995	
Less: Excise duty		40,17,03,875	4,28,13,48,400	35,97,54,100	3,91,85,25,895
Other income	**22**		8,61,69,337		5,91,18,342
Total Revenue			**4,36,75,17,737**		**3,97,76,44,237**
EXPENSES					
Cost of raw materials consumed	**23(a)**		2,33,79,12,883		2,20,34,45,847
Purchase of stock-in-trade	**23(b)**		7,18,65,419		852,46,043
Changes in inventories of finished goods, work-in-progress and stock-in-trade	**24**		1,74,41,877		(10,34,76,816)
Employee benefits expense	**25**		56,15,33,633		51,60,19,839
Finance costs	**26**		16,66,46,453		17,69,27,181
Depreciation and amortisation expense	**27**		15,28,99,450		15,31,20,069
Other expenses	**28**		85,25,33,058		78,51,91,126
Total Expenses			**4,16,08,32,773**		**38,164,73,289**
Profit before exceptional items and tax			**20,66,84,964**		**16,11,70,948**
Exceptional items	**29**		-		(1,92,79,945)
Profit before tax			20,66,84,964		14,18,91,003
Tax expense:					
Current tax / MAT		5,45,14,904		4,43,96,147	
MAT credit entitlement		-		(2,32,00,000)	
Deferred tax		44,91,112		2,42,98,372	
Tax adjustments of prior years (net)		(95,68,879)	4,94,37,137	(7,09,181)	4,47,85,338
Profit for the year			**15,72,47,827**		**9,71,05,665**
Earnings per share (Face Value ₹ 10)					
Basic and Diluted earnings per share (₹)	**40**		**12.74**		**7.87**
Summary of significant accounting policies	**1**				

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

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(Amount in ₹)

	Year ended March 31, 2017		Year ended March 31, 2016	
A. Cash flows from operating activities				
Net profit before exceptional items and tax		**20,66,84,964**		**16,11,70,948**
Adjustments for:				
Depreciation and amortisation expense	15,28,99,450		15,31,20,069	
Interest expense	16,66,46,453		17,69,27,181	
Filing Fees	-		3,56,250	
Foreign exchange fluctuation	(71,73,576)		74,60,319	
Interest income	(1,16,25,735)		(1,29,97,088)	
Dividend income	(2,72,97,770)		(2,48,97,630)	
(Profit) / loss on sale of assets	(31,10,505)		2,01,615	
Excess provision/ unclaimed balances written back	(4,58,047)		(86,393)	
Provision for doubtful receivables	2,16,63,359	29,15,43,630	85,17,136	30,86,01,459
Operating profit before working capital changes		**49,82,28,594**		**46,97,72,407**
Adjustments for:				
Current assets, loans and advances (current & non-current)	(8,55,61,149)		(4,89,39,993)	
Inventories	4,18,70,153		(18,45,29,944)	
Current liabilities (current & non-current)	9,13,87,115	4,76,96,119	14,51,45,240	(8,83,24,697)
Cash generated from operations		**54,59,24,713**		**38,14,47,710**
Direct taxes (paid)		(4,12,43,671)		(4,79,13,593)
Net Cash generated from operating activities (A)		**50,46,81,042**		**33,35,34,117**
B. Cash flows from investing activities				
Proceeds from sale of property, plant & equipment	2,13,26,158		55,60,675	
Movement in other bank balances	79,21,164		2,56,82,077	
Movement in inter-corporate deposits	-		50,00,000	
Interest received	72,20,549		1,42,19,870	
Dividends received	8,97,770		8,97,630	
Purchase of property, plant & equipment	(21,91,05,662)		(8,82,86,685)	
Investments made	(84,85,344)		(1,50,00,048)	
Cash flows before exceptional items	(19,02,25,365)		(5,19,26,481)	
Add: Exceptional items				
Proceeds from sale of property, plant & equipment (not in use)	-		70,70,360	
Net cash used in investing activities (B)		**(19,02,25,365)**		**(4,48,56,121)**
C. Cash flows from financing activities				
Interest paid	(16,16,86,365)		(18,33,77,546)	
Proceeds from borrowings	6,11,15,233		7,72,11,140	
Repayment of borrowings	(13,50,76,914)		(14,96,25,159)	
Filing Fees	-		(3,56,250)	
Dividend paid	(1,83,11,842)		(1,88,07,140)	
Dividend tax paid	(91,44,338)		(86,55,755)	
Net cash flow used in financing activities (c)		**(26,31,04,226)**		**(28,36,10,710)**
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		**5,13,51,451**		**50,67,286**
Cash and cash equivalents as at:				
- the beginning of the year		**4,13,02,976**		**3,62,35,690**
- the end of the year (Refer Note no. 18)		**9,26,54,427**		**4,13,02,976**

Note :- a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3, "Cash Flow Statements".
b) Previous year's figures have been regrouped wherever considered necessary to conform to this year's classification.

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

(SEEMA NARANG)
Company Secretary

(MANISH KHANNA)
Chief Financial Officer

(ANUJ TALWAR)
Joint Managing Director
(DIN 00628063)

(UMESH TALWAR)
Vice Chairman & Managing Director
(DIN00059271)

As per our report of even date
For S.N. Dhawan & Co. LLP
(Formerly S.N. Dhawan & Co.)
Chartered Accountants
Firm Reg. No. 000050N/N500045

(Suresh Seth)
Partner
Membership No. 10577

Place: New Delhi
Dated: 24.05.2017

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

1. Summary of significant accounting policies

a. Basis of preparation:

The financial statements of the Group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with generally accepted accounting principles in India (GAAP) and comply with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013.

b. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Difference between the actual results and the estimate are recognized in the period in which the results are known / materialized.

c. Principles of consolidation:

The consolidated financial statements include the financial statements of Talbros Automotive Components Limited ('the Company') and its jointly controlled entities (collectively known as 'the Group').

The financial statements of the joint venture companies are consolidated using proportionate consolidation method by adding book values of like items of assets, liabilities, revenues and expenses after eliminating intra-group balances / transactions and unrealised profits to the extent of the Group's proportionate share in accordance with Accounting Standard-27, "Financial Reporting of interest in joint venture" notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.

d. Investments:

Long term investments are stated at cost, less any provision for diminution other than temporary in nature.

e. Inventory valuation:

Raw materials and stores & spare parts are valued at lower of cost or net realizable value. Cost represents purchase price and other expenditure directly attributable to the acquisition and is determined on first in first out (FIFO) basis. Finished goods & work-in-progress are valued at lower of cost or net realizable value. Cost for this purpose includes materials, labour and appropriate allocation of overheads. Excise duty on stock lying with the Group is added to the cost of finished goods inventory.

f. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction and include amounts added on revaluation, less accumulated depreciation.

g. Intangible

Technical know-how fee is recognized as an Intangible Asset in accordance with Accounting Standard -26 "Intangible Assets" less accumulated amortisation. Major software products are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

h. Depreciation / Amortisation

Depreciation on property, plant and equipment is provided based on the methods given hereunder

Sr. No.	Plant	Method of depreciation	
		Straight line	Written down value
1.	Gasket Plants at Faridabad, Chennai, Pune, Sohna (except on items acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant) and joint venture companies namely Talbros Marugo Rubber Private Limited and Nippon Leakless Talbros Private Limited	Plant, machinery and equipment	All other depreciable assets
2.	Assets acquired prior to 1.9.1978 at the Chennai Plant and prior to 31.12.1985 at Faridabad Plant		All depreciable assets
3.	Gasket Plants at Sitarganj, Forging Plant at Bawal and assets transferred to Gasket Plant at Faridabad from erstwhile Rubber Division, joint venture company Magneti Marelli Talbros Chassis System P Ltd,	All depreciable assets other than vehicles	Vehicles

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Sr. No.	Class of assets	Useful life
(i)	Plant, machinery and equipments	22 years
(ii)	Computers	6 years
(iii)	Air-conditioning plant	10 years
(iv)	Canteen equipments	10 years
(v)	Furniture and fixtures	5 years
(vi)	Vehicles	10 years
(vii)	Electrical installation	15 years
(viii)	Tube wells	10 years
(ix)	Mould and Dies	6 year except 3 years in case of Joint Venture Companies.

The estimates of useful lives of the assets are based on independent technical evaluation, taking into account the nature of the asset, the estimated usage of the asset and the operating conditions surrounding the use of the asset etc.

In respect of additions to/deductions from property, plant and equipment during the year, depreciation is charged on pro-rata basis. Assets costing ₹ 5,000 or less are fully depreciated in the year of acquisition.

Leasehold land and leasehold improvements are amortized on straight line basis over the period of the lease.

Technical know how fee is amortized on straight line basis over the period of agreement but not exceeding ten years starting from the use of technical know how. Expenditure on major software products is written off on straight line basis over a period of 36 months from the month put to use except Forging Division where the software products are written off over a period of 60 months from the month put to use.

i. Revenue recognition:

i. Revenue from operations includes excise duty and is net of returns and trade discounts. Excise duty relating to sales is adjusted against revenue from operations. Excise duty on the increase/decrease in the stock of finished goods is recognized as part of the 'Other Expenses'.

ii. Dividend is accounted for on accrual basis when the right to receive the dividend is established.

iii. Export incentives are accounted on accrual basis.

j. Foreign currency transactions:

Transactions in foreign currency are accounted at the exchange rates prevailing at the dates of the transactions. Gains / losses arising out of fluctuation in exchange rates, if any, on settlement are recognized in the statement of profit and loss except in the case of long term monetary items relating to acquisition of property, plant and equipment where such gains / losses are adjusted to the cost of property, plant and equipment.

Foreign currency monetary items are converted at the exchange rate prevailing as at the year end and resultant gain / loss is charged to statement of profit and loss, except in case of long term monetary items representing liabilities relating to acquisition of property, plant and equipment which are adjusted to the cost of the respective assets. In respect of transactions covered by foreign exchange forward contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the statement of profit and loss over the period of the contract.

k. Employee benefits:

i. Provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due.

ii. Superannuation fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the fund are due.

iii. Gratuity liability is a defined benefit obligation and is provided for based on actuarial valuation made at the end of each financial year based on the projected unit credit method.

iv. Long term compensated absences are provided for based on actuarial valuation made at the end of each financial year based on the projected unit credit method.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

l. Borrowing costs:
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets upto the date the assets are ready for its intended use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

m. Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Group is both a lessee and a lessor under such arrangements. Payments and receipts under such leases are charged or credited to the statement of profit and loss on a straight line basis over the lease term. Initial direct costs such as legal cost, brokerage cost etc. are recognised immediately in the statement of profit and loss.

n. Income tax
Tax expense comprises current and deferred tax.

Current tax is recognized based on assessable profit computed in accordance with the Income Tax Act, 1961 and at the prevailing tax rate.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets in case of unabsorbed depreciation and carry forward losses are recognized if there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o. Impairment of assets:
At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss to the extent the carrying amount exceeds recoverable amount.

p. Provisions, contingent liabilities and contingent assets
Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if the Group has a present obligation as a result of past event,

a. a probable outflow of resources is expected to settle the obligation and

b. the amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision are recognized only when it is virtually certain that the reimbursements will be received.

Contingent liability is disclosed in the case of

a. A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

b. A possible obligation, of which the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date. Contingent assets are neither recognized nor disclosed.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

2. Share capital :

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Authorised share capital:	20,00,00,000	20,00,00,000
2,00,00,000 Equity shares of ₹10/- each		
(Previous year 2,00,00,000 Equity shares of ₹ 10 each)		
Issued, subscribed and paid-up:		
1,23,45,630 Equity shares of ₹10/- each fully paid up	12,34,56,300	12,34,56,300
(Previous year 1,23,45,630 Equity shares of ₹ 10 each fully paid up)		
Total	**12,34,56,300**	**12,34,56,300**

2.1 Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

2.2 Details of equity shares held by shareholders holding more than 5% shares in the Company

(Amount in ₹)

	%	No. of Shares as at 31.03.2017	%	No. of Shares as at 31.03.2016
QH Talbros Private Ltd.	-	-	21.45	26,47,684
Talbros International Private Ltd.	35.40	43,70,022	8.50	10,49,321

3. Reserves and surplus :

(Amount in ₹)

		%	No. of Shares as at 31.03.2017		%	No. of Shares as at 31.03.2016
Capital reserves			15,21,000			15,21,000
Securities premium account			46,78,30,274			46,78,30,274
Revaluation reserve						
As per last balance sheet			50,68,880			50,68,880
General reserve						
As per last balance sheet	8,12,92,693			7,18,53,206		
Add: Transferred from surplus balance in the Statement of Profit and Loss	1,00,19,939		9,13,12,632	94,39,487		8,12,92,693
Surplus balance in statement of profit and loss						
As per last balance sheet	63,82,45,558			60,17,53,580		
Profit for the year	15,72,47,827			9,71,05,665		
Less:- Allocations and appropriations						
Interim dividend	2,64,00,000			2,40,00,000		
(₹ 5.5/- per share, previous year-₹ 5/- per share)						
Corporate dividend tax on interim dividend	68,40,169			48,85,835		
Proposed dividend	1,85,18,445			18,518,445		
₹1.50/- per share (previous year ₹1.50/- per share)						
Corporate dividend tax on proposed dividend	37,69,920			3,769,920		
Transferred to general reserve	1,00,19,939		72,99,44,912	94,39,487		63,82,45,558
Total			**1,29,56,77,698**			**1,19,39,58,405**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

4. Long term borrowings :

(Amount in ₹)

	Non-current portion		Current maturities		Total	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Secured, unless otherwise stated						
Term loans:						
From banks						
HDFC Bank Ltd.*	-	1,77,34,000	1,77,34,000	1,77,34,000	1,77,34,000	3,54,68,000
IDFC Bank**	39,98,672	-	-	-	39,98,672	-
IndusInd Bank***	-	-	-	1,03,25,000	-	1,03,25,000
Mizuho Bank Ltd. (Unsecured)****	358,89,816	4,22,12,038	1,13,22,222	92,97,222	4,72,12,038	5,15,09,260
Others (against security of movable fixed assets)	1,21,82,293	39,52,806	49,62,856	52,04,795	1,71,45,149	91,57,601
	5,20,70,781	6,38,98,844	3,40,19,078	4,25,61,017	8,60,89,859	10,64,59,861
From Others						
Bajaj Finance Ltd.(Term Loan-I)@	1,52,66,418	4,03,29,807	2,49,23,504	2,25,06,383	4,01,89,922	6,28,36,190
Bajaj Finance Ltd.(Term Loan-II)@@	3,00,00,000	-	-	-	3,00,00,000	-
Tata Capital Financial Services Ltd.#	4,88,88,867	8,14,81,467	3,25,92,600	3,25,92,600	8,14,81,467	11,40,74,067
Others (against security of movable fixed assets)	2,07,400	7,04,254	4,96,854	7,04,142	7,04,254	14,08,396
Deposits (Unsecured)						
Fixed deposits						
- From directors	5,00,000	10,00,000	5,00,000	-	10,00,000	10,00,000
- From public	5,64,19,000	4,13,08,000	1,62,72,000	2,15,49,000	7,26,91,000	6,28,57,000
Total	**20,33,52,466**	**22,87,22,372**	**10,88,04,036**	**11,99,13,142**	**31,21,56,502**	**34,86,35,514**
Amount disclosed, under the head "Other Current Liabilities" (Note no. 10)			10,88,04,036	1,199,13,142		

Notes:-

*Term loan from HDFC Bank Ltd carrying rate of interest @ base rate plus 3.2% per annum is secured by exclusive charge over the current assets and fixed assets (present and future) of the Company and is further secured by corporate guarantee of Magnetti Marelli, Italy and personal guarantee of two directors and one relative of director of the Company.

**Term loan from IDFC Bank carrying rate of interest @ 9.75 % per annum is secured by first charge on fixed assets to be purchased out of proceeds of term loan and is further secured by personal guarantee of three directors.

***Term loan from IndusInd Bank carrying rate of interest @ base rate plus 1 % per annum was secured by first charge by way of hypothecation over specific assets created out of the term loan both present and future, second paripassu charge over entire current assets of the Company both present and future and personal guarantee of two directors.

****Term loan from Mizuho Bank Ltd., carrying rate of interest @ 9.30% to 9.95% per annum, sanctioned against letter of guarantee from Marugo Rubber Industries Ltd. Japan.

@ Term loan-I from Bajaj Finance Ltd carrying rate of interest @ 11.15 % to 12.15% per annum is secured by first and exclusive charge over existing plant & machinery of the Company's Gasket division situated at Faridabad and is further secured by personal guarantee of two directors.

@@ Term loan-II from Bajaj Finance Ltd carrying rate of interest @ 9.65 % per annum is secured by first and exclusive charge over existing plant & machinery of the Company's Gasket division situated at Faridabad and is further secured by personal guarantee of three directors.

#Term loan from Tata Capital Financial Services Ltd. carrying rate of interest @ 11.50 % per annum is secured by first charge on all assets financed under this facility and is further secured by personal guarantee of three directors.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

4.1 Terms of repayment of long term borrowings (Amount in ₹)

Particulars	Maturity profile of long term borrowings					
	2017-18	2018-19	2019-20	2020-21	2021-22 & thereafter	Total
From Banks						
Mizuho Bank Ltd.	1,13,22,222	1,13,22,222	1,04,42,594	1,41,25,000		4,72,12,038
HDFC Bank Ltd.	1,77,34,000	-	-	-		1,77,34,000
IDFC Bank	-	11,42,472	11,42,472	11,42,472	5,71,256	39,98,672
Others (against security of movable fixed assets)	49,62,856	34,50,981	30,39,273	32,69,214	24,22,825	1,71,45,149
From Others						
Bajaj Finance Ltd.(Term Loan-I)	2,49,23,504	1,42,54,899	10,11,519	-	-	4,01,89,922
Bajaj Finance Ltd.(Term Loan-II)	-	58,93,728	70,50,302	77,61,571	92,94,399	3,00,00,000
Tata Capital Financial Services Ltd.	3,25,92,600	32,5,92,600	1,62,96,267	-		8,14,81,467
Others (against security of movable fixed assets)	4,96,854	2,07,400	-	-		7,04,254
Deposits (Unsecured)	1,67,72,000	2,71,69,000	2,97,50,000	-		7,36,91,000
Total	**10,88,04,036**	**9,60,33,302**	**6,87,32,427**	**2,62,98,257**	**1,22,88,480**	**31,21,56,502**

5. Deferred tax liabilities (net)

	Deferred tax assets / (liabilities) As at 31.03.2016	(Charge) / Credit during the year	Deferred tax assets / (liabilities) As at 31.03.2017
The deferred tax assets / (liabilities) comprise of the following:			
Depreciation	(10,83,44,531)	(59,63,112)	(11,43,07,643)
Disallowances u/s 43B	1,93,81,713	(37,42,511)	1,56,39,202
Unamortised expenditures of tools	(3,90,64,396)	3,90,64,396	-
Carry forward business losses	4,81,63,381	(30,07,442)	4,51,55,939
Provision for doubtful receivables / advances	87,53,244	37,74,279	1,25,27,523
Total	**(7,11,10,589)**	**3,01,25,610**	**(4,09,84,979)**
Previous year	(4,68,12,217)	(2,42,98,372)	(7,11,10,589)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

6. Other long term liabilities

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Security deposits	11,13,000	22,26,000
Total	**11,13,000**	**22,26,000**

7. Long-term provisions :

Provision for leave encashment	1,80,08,511	1,41,84,614
Provision for gratuity	1,56,13,977	1,97,66,124
Total	**3,36,22,488**	**3,39,50,738**

8. Short term borrowings:

Secured, unless otherwise stated		
a) Working capital loans		
From Banks		
State Bank of India*	-	25,24,14,238
IDFC Bank Ltd*	10,80,00,000	-
HDFC Bank Ltd*	37,55,14,619	18,02,37,430
HDFC Bank Ltd.(Unsecured)**	-	10,00,00,000
DBS Bank Ltd.*	13,90,00,000	10,00,00,000
ICICI Bank*	-	90,87,455
IndusInd Bank*	-	7,91,13,452
Mizuho Bank Ltd.#	1,20,00,000	1,20,00,000
Yes Bank*	13,38,37,198	7,99,41,501
	76,83,51,817	81,27,94,076
From Others (Unsecured)		
Bajaj Finance Ltd **	8,50,00,000	5,00,00,000
Tata Capital Financial Services Ltd**	-	2,98,30,709
b) Deposits (Unsecured)		
Fixed deposits from public	44,08,000	30,21,000
Inter-corporate deposit	1,00,00,000	1,00,00,000
Total	**86,77,59,817**	**90,56,45,785**

Notes:-

*Working capital loans from State Bank of India, ICICI Bank, DBS Bank, IndusInd Bank, Yes Bank and HDFC Bank are secured by way of first pari-passu charge on all current assets, both present & future. Further, secured by second pari- passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders and personal guarantee of two directors of the Company.

** Working capital loans from HDFC Bank, Bajaj Finance Ltd and Tata Capital Financial Services Limited are secured by personal guarantee of two directors of the Company.

#Working capital loan from Mizuho Bank Ltd. is secured by letter of guarantee from Marugo Rubber Industries Ltd, Japan.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

9. Trade payables:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Acceptances	44,32,85,867	41,01,91,520
Total outstanding dues of micro enterprises and small enterprises	-	-
(Refer Note no. 38)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	70,04,57,273	65,78,27,772
Total	**1,14,37,43,140**	**1,06,80,19,292**

10. Other current liabilities:

Current maturities of long term borrowings	10,88,04,036	11,99,13,142
Interest accrued but not due on borrowings	67,85,110	47,30,100
Interest accrued and due on borrowings	46,08,814	17,77,588
Liability towards investors education and protection fund*		
-Unclaimed dividend	15,84,092	13,77,489
-Unclaimed matured deposits	45,02,414	39,47,245
-Interest accrued on unclaimed matured deposits	21,10,991	20,37,138
Employee related payables	7,27,76,012	7,70,13,840
Statutory liabilities	3,99,82,892	3,85,81,105
Advance received from customers	2,75,86,278	1,70,98,980
Security Deposits	54,10,000	5,10,000
Enhanced cost of land payable to HSIIDC	97,33,208	66,07,829
Others	12,299,823	21,756,081
Total	**296,183,670**	**295,350,537**

* There are no amounts due for payment to investors education and protection fund

11. Short-term provisions :

Leave encashment	6,294,435	6,042,765
Gratuity	3,130,899	6,142,767
Proposed dividend	18,518,445	18,518,445
Corporate dividend tax	5,235,671	3,769,920
Total	**33,179,450**	**34,473,897**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

12.1 . Property, plant & equipment

(Amount in ₹)

Description	Gross block					Depreciation / amortisation				Net block	
	Cost as at 01.04.2016	Adustment on reclassification**	Additions during the year	Deductions during the year	Cost as at 31.03.2017	As at 01.04.2016	For the year	Deductions during the year	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land											
-Freehold *	6,41,61,458		31,25,379	-	6,72,86,837	-	-	-	-	6,72,86,837	6,41,61,458
-Leasehold	4,13,98,978		-	-	4,13,98,978	35,02,036	4,59,799	-	39,61,835	3,74,37,143	3,78,96,942
Buildings	37,08,65,708		8,50,493	-	37,17,16,201	12,08,72,402	1,42,07,221	-	13,50,79,623	23,66,36,578	24,99,93,306
Leasehold improvements	1,34,62,644		21,975	-	1,34,84,619	64,74,907	24,98,736	-	89,73,643	45,10,976	69,87,737
Plant, machinery & equipments **	1,21,39,30,784	246,814,030	18,52,89,386	2,12,64,422	1,62,47,69,778	52,49,51,573	11,33,85,650	78,16,341	63,05,20,882	99,42,48,896	68,89,79,211
Motor vehicles	7,07,96,551		1,81,88,304	1,67,73,438	7,22,11,417	4,11,21,882	85,02,532	1,20,35,088	3,75,89,326	3,46,22,091	2,96,74,669
Furniture & fixtures	4,37,07,908		19,86,661	3,88,125	4,53,06,444	3,625,5,591	23,85,221	3,68,719	3,82,72,093	70,34,351	74,52,317
Office equipments	3,21,64,747		30,81,967	-	3,52,46,714	2,59,25,886	33,45,223	-	2,92,71,109	5,975,605	62,38,861
Electrical installation	8,37,45,802		67,00,897	-	9,04,46,699	3,60,79,428	71,89,640	-	4,32,69,068	4,71,77,631	4,76,66,374
Air-conditioning plant	87,56,698		3,30,260	-	90,86,958	47,37,349	9,77,633	-	57,14,982	33,71,976	40,19,349
Tube-well	10,51,423		-	-	10,51,423	9,98,853	-	-	9,98,853	52,570	52,570
Total	1,94,40,42,701	246,814,030	21,95,75,322	3,84,25,985	2,37,20,06,068	80,09,19,907	15,29,51,656	2,02,20,148	93,36,51,414	1,43,83,54,654	1,14,31,22,794
Less:Depreciation capitalised							67,41,000				
Total	1,94,40,42,701	246,814,030	21,95,75,322	3,84,25,985	2,37,20,06,068	80,09,19,907	14,62,10,656	2,02,20,148	93,36,51,414	1,43,83,54,654	1,14,31,22,794
Previous year	1,83,02,08,440		17,55,16,327	6,16,82,066	1,94,40,42,701	71,98,15,678	9,43,27,135	1,32,22,906	80,09,19,907	1,14,31,22,794	
Adjustment on reclassification**							4,92,31,118				
Previous year-Total							14,35,58,253				
12.2. Intangible assets											
Computer software	2,40,57,664		20,42,099	10,395	2,60,89,368	2,31,16,016	9,23,767	578	2,40,39,205	20,50,163	9,41,648
New Product Development Cost	-		17,57,806	-	17,57,806	-	61,184	-	61,184	16,96,622	-
Technical know-how	7,35,68,135		-	-	7,35,68,135	4,91,79,818	57,03,843	-	5,48,83,661	1,86,84,474	2,43,88,317
Total	**9,76,25,799**		**37,99,905**	**10,395**	**10,14,15,309**	**7,22,95,834**	**66,88,794**	**578**	**7,89,84,050**	**2,24,31,259**	**2,53,29,965**
Previous year	9,73,05,087		3,20,712	-	9,76,25,799	6,27,34,018	95,61,816	-	7,22,95,834	2,53,29,965	
12.3. Capital work in progress											
Capital work in progress	83,45,644	9,177,396	1,71,32,429	2,20,01,069	1,26,54,400					1,26,54,400	83,45,644
12.4. Intangible assets under development											
Computer software	56,45,648		4,86,169		61,31,817					61,31,817	56,45,648

* Includes land valuing Rs. 5,12,05,047 (previous year Rs. 5,12,05,047) for which the title is yet to be registered in the Company's name.

** Moulds & Dies used in production have been re-classified under property, plant and equipment as against inventories effective from 1st April, 2016 in compliance with revised Accounting Standard-10 'Property, Plant and Equipment' notified on 30th March,2016 and accordingly, the amortisation on Moulds and Dies has been re-classified under Depreciation in place of Other Expenditure. However, this has no bearing on the profitability of the Company.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

13. Non-current investments:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
Unquoted : at cost		
a) Trade investments:		
QH Talbros Private Limited		
1,77,962 Equity shares (previous year 1,77,962 Equity shares) of ₹ 10/- each fully paid	-	-
Talbros International Private Limited		
13,26,970 Equity shares (previous year 11,67,101 Equity shares) of ₹ 10/- each fully paid	6,42,31,404	5,57,46,060
b) Non Trade Investments		
T & T Motors Private Limited		
83,333 Equity shares (previous year 83,333 Equity shares) of ₹ 10/- each fully paid	13,74,990	13,74,990
Caparo Power Limited		
11,47,134 Equity shares (previous year 11,47,134 Equity shares) of ₹ 10/- each fully paid up	1,14,71,340	1,14,71,340
2,54,920, 2% Cumulative redeemable preferance shares (previous year 2,54,920 shares) of ₹ 10/- each fully paid up	25,49,200	25,49,200
In Mutual Funds		
1,00,000 units (previous year 1,00,000 units) of ₹ 10/- each of SBI Infrastructure Fund-1-Growth	10,00,000	10,00,000
Total	**8,06,26,934**	**7,21,41,590**
Notes:		
Book value of unquoted investments	8,06,26,934	7,21,41,590
Net asset value of mutual funds	13,63,490	10,62,390

14. Long term loans and advances :

Unsecured - considered good		
Capital advances	1,47,73,871	91,20,642
Security deposits	1,42,03,012	1,41,96,685
Balances with custom authorities	6,23,287	11,45,393
Advance tax (net of provision)	85,55,541	1,43,00,281
MAT credit entitlement	7,10,76,967	9,96,47,586
Others	9,12,000	18,24,000
Total	**11,01,44,678**	**14,02,34,587**

15. Other non-current assets

Unsecured - considered good		
Bank deposits with more than 12 months maturity	57,21,319	47,35,104
(Under lien with banks as security against borrowings)		
Total	**57,21,319**	**47,35,104**

16. Inventories:

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
(Valued at lower of cost or net realisable value unless otherwise stated)		
Raw material	31,36,24,917	33,99,12,606
Work in progress	56,73,08,185	59,01,37,621
Finished goods	19,03,42,443	18,32,71,890
Stock in trade	78,72,621	95,55,615
Moulds and Dies	-	24,68,14,030
Stores & spares	3,52,77,741	4,12,24,099
Total	**1,11,44,25,907**	**1,41,09,15,861**
The above includes goods in transit as under:		
Raw material	6,63,56,343	7,35,60,953
Stock in trade	33,36,732	28,01,214
Stores & spares	1,19,112	4,76,618
16.1 Work in progress:		
Gaskets	47,69,49,183	50,01,04,117
Forgings	7,65,01,488	7,18,30,353
Stamping and rubber	13,857,514	1,82,03,151
Total	**56,73,08,185**	**59,01,37,621**

17. Trade receivables:

	As at March 31, 2017		As at March 31, 2016	
Unsecured - considered good unless otherwise stated				
Outstanding for a period exceeding six months from the due date of payment				
- Considered good	6,75,15,385		6,22,30,033	
- Considered doubtful	2,72,95,811	9,48,11,196	1,08,63,963	7,30,93,996
Other receivables : considered good		83,52,65,923		73,57,96,602
		93,00,77,119		80,88,90,598
Less : Provision for doubtful trade receivables		2,72,95,811		1,08,63,963
Total		**90,27,81,308**		**79,80,26,635**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

18. Cash and bank balances :

(Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
(a) Cash and cash equivalents		
Balances with banks	8,74,55,627	3,75,51,536
Cash on hand	51,98,800	37,51,440
	9,26,54,427	4,13,02,976
(b) Other bank balances		
Margin money deposits (pledged with banks)	2,36,05,621	2,63,32,137
Term deposits *	71,07,174	1,23,47,341
Earmarked balances with banks for unclaimed dividend	15,84,092	13,77,489
	3,22,96,887	4,00,56,967
Total	**12,49,51,314**	**8,13,59,943**

* includes deposits with original maturity of more than 12 months ₹ 5,847,174/- previous year ₹10,837,341/-

19. Short term loans and advances :

	As at March 31, 2017		As at March 31, 2016	
Unsecured - considered good unless otherwise stated				
Loans and advances to related parties		55,30,683		54,49,132
Inter corporate deposits		4,90,00,000		4,90,00,000
Advances recoverable in cash or in kind or for value to be received				
- Considered good	3,35,38,640		5,51,33,365	
- Considered doubtful	38,61,421		1,28,43,719	
	3,74,00,061		6,79,77,084	
Less : Provision for doubtful advances	38,61,421	3,35,38,640	1,28,43,719	5,51,33,365
Balances with central excise & other authorities				
- Considered good	11,96,38,728		13,28,45,010	
- Considered doubtful	50,49,481		20,44,728	
	12,46,88,209		13,48,89,738	
Less : Provision for doubtful advances	50,49,481	11,96,38,728	20,44,728	13,28,45,010
Security deposit		3,02,800		2,20,600
Claim receivables		-		3,49,266
Total		**20,80,10,851**		**24,29,97,373**

19.1 Advances to related parties include: (Amount in ₹)

	As at March 31, 2017	As at March 31, 2016
QH Talbros Private Limited	31,18,974	30,87,673
Talbros International Private Limited	10,62,207	6,24,507
Magneti Marelli Talbros Chassis Systems Private Limited	13,49,502	17,36,952
Total	**55,30,683**	**54,49,132**

20. Other current assets :

Unsecured - considered good		
Interest accrued on deposits	1,28,38,567	84,33,382
Receivable against sale of fixed assets	-	1,56,25,389
Total	**1,28,38,567**	**2,40,58,771**

21. Revenue from operations :

Sale of products	4,52,42,41,225	4,12,15,67,827
Sale of services	32,95,000	40,77,841
Other operating revenues	15,55,16,050	15,26,34,327
	4,68,30,52,275	4,27,82,79,995
Less: Excise duty	40,17,03,875	35,97,54,100
Total	**4,28,13,48,400**	**3,91,85,25,895**

21.1: Revenue from operations (gross) include:

Gaskets	3,17,82,42,411	30,24,0,73,222
Forgings	73,04,19,105	65,02,63,816
Management Fees	15,00,000	15,00,000
Stamping	46,84,36,979	33,81,67,186
Rubber	14,71,42,730	10,90,63,603
Others	15,73,11,050	15,52,12,168
Total	**4,68,30,52,275**	**4,27,82,79,995**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

22. Other income:

(Amount in ₹)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Interest income on :		
-Inter corporate deposits	63,53,259	67,45,796
-Fixed deposits with banks	52,22,744	60,16,379
-Others	6,14,307	2,34,913
Dividend income from:		
-Long term trade investments	2,69,33,886	2,45,33,886
-Long term non-trade investments	3,63,884	3,63,744
Royalty	1,14,62,570	1,15,71,070
Lease rentals	58,71,858	69,91,452
Net gain on foreign currency transactions & translation	2,46,93,499	-
Profit on sale of property, plant and equipment (net)	31,10,505	-
Other non operating income	15,42,825	26,61,102
Total	**8,61,69,337**	**5,91,18,342**

23(a) Cost of raw materials consumed:

Opening inventories	33,99,12,606	40,01,99,230
Add:Purchases	2,31,16,25,194	2,14,31,59,223
Less:Closing inventories	31,36,24,917	33,99,12,606
Cost of raw materials consumed	**2,33,79,12,883**	**2,20,34,45,847**
Cost of raw materials consumed include		
Tinplate/P.C.R.C.A/steel	72,81,28,413	72,12,89,228
Jointing	70,04,00,164	68,45,21,430
Forging steels	35,34,75,406	32,62,46,537
Bought out auto components & parts	35,51,32,963	26,72,28,061
Others	20,07,75,937	20,41,60,591
Total	**2,33,79,12,883**	**2,2,034,45,847**

23(b) Purchases of Stock-in-Trade

(Amount in ₹)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Dyna bond	2,36,84,166	2,67,24,599
Gasket	2,78,84,279	3,24,54,461
Track control arm	2,02,96,974	2,60,66,983
	7,18,65,419	**8,52,46,043**

24. Changes in inventories of finished goods, work in progress & stock-in-trade :

Closing inventories		
Finished goods	19,03,42,443	18,32,71,890
Work-in-progress	56,73,08,185	59,01,37,621
Stock-in-trade	78,72,621	95,55,615
Total	**76,55,23,249**	**78,29,65,126**
Less :		
Opening inventories		
Finished goods	18,32,71,890	19,41,97,484
Work-in-progress	59,01,37,621	47,96,27,352
Stock-in-trade	95,55,615	56,63,474
Total	**78,29,65,126**	**67,94,88,310**
(Increase)/decrease in inventories of finished goods, work-in-progress & stock-in-trade	**1,74,41,877**	**(10,34,76,816)**

25. Employee benefits expense :

Salaries and wages	49,17,17,380	43,98,98,288
Contribution to provident and other funds	2,71,42,477	3,37,89,001
Staff welfare expenses	4,26,73,776	4,23,32,550
Total	**56,15,33,633**	**51,60,19,839**

26. Finance costs :

Interest expense	15,30,69,631	16,29,19,526
Other borrowing cost	1,35,76,822	1,40,07,655
Total	**16,66,46,453**	**17,69,27,181**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

27. Depreciation and amortisation expense :

(Amount in ₹)

	Year Ended March 31, 2017	Year Ended March 31, 2016
Depreciation	14,62,10,656	14,35,58,253
Amortisation	66,88,794	95,61,816
Total	**15,28,99,450**	**15,31,20,069**

28. Other expenses :

	Year Ended March 31, 2017		Year Ended March 31, 2016	
Consumption of stores & spares parts		19,53,94,739		13,36,61,390
Labour & processing charges		8,52,49,592		7,84,59,483
Power & fuel		14,55,17,838		14,30,65,792
Royalty		72,98,465		76,50,804
Rent		2,02,53,825		1,80,95,219
Repairs to buildings		97,13,136		50,18,160
Repairs to plant & machinery		3,85,59,051		4,75,78,500
Repairs to other assets		1,46,54,978		1,09,43,430
Insurance		76,50,521		71,44,775
Travelling, tour & conveyance		5,91,57,658		6,21,90,319
Discount on sales		4,20,58,524		4,33,24,191
Sales promotion expenses		2,66,81,681		2,69,17,455
Packing, freight & forwarding		9,27,04,640		9,80,62,375
Rates and taxes		37,61,702		58,67,805
Corporate social responsibility expenditure (refer note no. 34)		34,01,640		31,36,984
Provision for doubtful receivables/ advances		2,16,63,359		85,17,136
Advances written off	1,12,09,056		13,33,629	
Less:Provision written back	1,12,09,056	-	13,33,629	-
Loss on sale of property, plant & equipment (net)		-		85,442
Excise duty on increase/(decrease) of inventories of finished goods		16,57,464		(3,96,760)
Net loss on foreign currency transactions & translation		-		88,25,424
Miscellaneous expenses		7,71,54,245		77,043,202
Total		**85,25,33,058**		**78,51,91,126**

29. Exceptional items:

Loss on sale of property, plant & equipment*	-	(19,279,945)
Total	**-**	**(19,279,945)**

* represents the loss on sale of machine in one of the Joint Venture Company Magneti Marelli Talbros Chassis Systems Private Limited

30. Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities :

i) Claims against the Company not acknowledged as debts:

		Nature of dues	As at March 31, 2017	As at March 31, 2016
i)	Central excise	Demand for dispute of classification of paper gasket	-	14,17,866
ii)	Service tax	Cenvat credit disallowed	11,52,989	11,52,989
iii)	Central sales tax	Central Sales Tax	4,97,936	4,97,936
iv)	Haryana value added tax	Disallowance of input tax	2,73,548	2,73,548
v)	Customs Act	Demand of custom duty (includes ₹4,12,900 Paid under protest) (Previous year ₹ 28,78,364)	36,09,337	60,74,801
vi)	Employee's state insurance	ESI Demand	47,56,527	47,56,527
vii)	Income tax	Income tax demand on disallowance of expenditures	39,54,798	39,54,798
viii)	District judge	Claim of freight bills	8,13,484	8,13,484
ix)	High Court, Mumbai	Fees for building work	-	55,000
x)	Central excise	Objection on exemption on some of the products sold from Sitarganj Plant (includes amount paid under protest ₹ 80,00,000, previous year ₹ 80,00,000)	4,40,89,686	4,40,89,686
xi)	Municipal Corporation of Faridabad	Demand for external development charges	2,55,00,000	2,55,00,000
xii)	Labour disputes	Litigations filed by employees	43,00,369	43,00,369
xiii)	Civil Judge	Claim filed by BSNL Ltd	2,41,367	2,41,367
xiv)	Bonus Payable*	Bonus payable for financial year 2014-15	40,22,857	40,22,857
			9,32,12,898	**9,71,51,228**
Share of Joint Ventures				
i)	Income tax demands pending in appeals	Income tax demand on disallowance of expenditures	1,99,71,540	1,48,37,208
ii)	Customs Act	Demand for dispute of classification of goods	24,51,383	24,51,383
iii)	Bonus payable*	Bonus payable for financial year 2014-15	1,33,304	1,33,304
			2,25,56,227	1,74,21,895
	Grand Total		**11,57,69,125**	**11,45,73,123**

* Retrospective bonus liability for financial year 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts

	ii) Guarantees executed in favour of various authorities/ customers/others	5,32,663	11,06,931
	Add: Share of Joint Ventures	20,00,000	15,90,000
	Total	**25,32,663**	**26,96,931**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

b) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	3,88,17,977	54,10,497
Add: Share of Joint Ventures	77,60,209	42,84,763
Total	**4,65,78,186**	**96,95,260**

31. Disclosure on details of Specified Bank Notes(SBN) helf and transacted during the period from 08.11.2016 to 30.12.2016 is as under:-

Particulars	SBN*	Other Denomination Notes	Total
Closing cash in hand as on 08th November 2016	8,335,630	4,44,377	87,80,007
(+) Permitted receipts	-	23,21,416	23,21,416
(-) Permitted payments	15,630	15,57,351	15,72,981
(-) Amount deposited in Banks	8,320,000	-	83,20,000
Closing cash in hand as on 30 December 2016	-	12,08,442	12,08,442

* Specified Bank Notes are as defined in the notification of the Government of India, Ministry of Finance, Department of Economic affairs No.S.O.3407 (E), dated 08th November 2016

32. Interest in Joint Ventures

The Company has the following investments in Jointly controlled entities

Name of the entity	Country of incorporation	Ownership interest	Date of incorporation
Nippon Leakless Talbros Private Limited	India	40%	09/03/2005
Magneti Marelli Talbros Chassis Systems Private Limited	India	50%	03/02/2012
Talbros Marugo Rubber Private Limited	India	50% less one share	23/08/2012

a) Additional information as required under Schedule III of the Companies Act, 2013

	Net assets i.e. total assets minus total liabilities		Share in profit or loss after tax	
Name of the entity	As % of Consolidated Net Assets	Amount ₹	As % of Consolidated Profit or Loss	Amount ₹
Parent				.
1. Talbros Automotive Components Limited	95.80	1,35,96,09,293	66.42	10,44,50,638
(Previous year)	96.97	1,27,74,47,020	84.29	8,18,48,144
Joint Ventures (as per proportionate consolidation method)				
Indian				
1. Nippon Leakless Talbros Private Limited	8.96	12,70,93,593	31.93	5,01,99,391
(Previous year)	8.36	11,01,34,370	45.72	4,43,94,873
2. Magneti Marelli Talbros Chassis Systems Private Limited	-2.93	-4,16,40,057	5.26	82,79,086
(Previous year)	-3.79	-4,99,19,142	-25.61	-2,48,65,413
3. Talbros Marugo Rubber Private Limited	-1.83	-2,59,28,831	-3.61	-56,81,288
(Previous year)	-1.54	-2,02,47,543	-4.40	-42,71,939

b) The Company's share of each of the assets, liabilities, income, expenses, etc. related to its interest in this joint venture, based on the audited financial statements are :

	As at March 31, 2017	As at March 31, 2016
a) Assets		
Property, plant and equipment (including capital work-in-progress and intangible assets)	27,51,47,123	25,51,92,078
Long-term loans and advances	1,19,65,214	2,29,54,991
Inventories	12,68,43,572	13,24,32,512
Trade receivables	11,71,69,072	9,08,15,688
Cash and bank balances	6,06,12,767	3,32,13,719
Short-term loans and advances	1,20,76,168	2,00,45,856
Other current assets	3,28,334	1,59,08,402

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
b) Liabilities		
Long-term borrowings	3,69,08,075	6,03,37,829
Deferred tax liabilities (net)	(2,35,40,029)	(2,41,67,927)
Long-term provisions	40,32,317	29,08,592
Short-term borrowings	1,20,00,000	1,27,37,430
Trade payables	2,12,713,493	17,53,06,401
Other current liabilities	5,10,41,110	5,33,14,746
Short-term provisions	17,75,579	(6,41,510)
c) Income		
Revenue from operations	99,33,87,191	81,76,73,835
Other income	(13,56,712)	(39,26,503)
d) Expenses		
Cost of raw materials consumed	57,85,59,849	45,42,66,621
Purchase of stock in trade	4,81,81,253	5,85,21,444
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(58,00,917)	71,17,469
Employee benefits expense	9,84,30,311	8,04,49,440
Finance costs	91,31,318	1,06,78,699
Depreciation and amortisation expense	2,97,60,422	3,31,51,615
Other expenses	15,46,67,884	12,53,89,567
Exceptional items-expense	-	1,92,79,945
Tax expense	2,63,03,170	96,35,011

33. Segment reporting

a) Primary segment :

The Group's operations comprise of only one segments viz , "Auto Components & Parts" .

b) Secondary segment :

The Group caters to the needs of the Indian as well as foreign market. The risk and returns vary from country to country and export to none of the countries exceeds 10% of the sales turnover of the Company. Hence it is not reportable.

34. In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has during the financial year ending March 31, 2017 spent in pursuance of its corporate social responsibility policy as follows:

		2016-17	2015-16
a)	Gross amount required to be spent by the Company during the year	34,01,640	31,36,984
b)	Amount spent during the year on:-		
	- Contribution to Prime Minister's national relief fund	15,16,640	17,75,984
	- Donation paid to charitable trust	18,85,000	13,61,000

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

35(A) Disclosure required under section 186 (4) of the Companies Act, 2013

a) Investments made

(Amount in ₹)

Sr. No.	Name of the investee	Amount invested during the year 2016-17	Amount as on March 31, 2017	Amount invested during the year 2015-16	Amount as on March 31, 2016
a)	**Trade investments**				
1	Talbros International Private Limited	84,85,344	6,42,31,404	1,50,00,048	5,57,46,060
	Non trade investments :				
2	T & T Motors Private Limited	-	13,74,990	-	13,74,990
3	Caparo Power Limited - Equity shares	-	1,14,71,340	-	1,14,71,340
4	Caparo Power Limited - Preference shares	-	25,49,200	-	25,49,200
5	SBI Mutual Funds	-	10,00,000	-	10,00,000
	Total	**84,85,344**	**8,06,26,934**	**1,50,00,048**	**7,21,41,590**

b) Inter corporate deposits given (proposed to be utilised for business purposes)

(Amount in ₹)

Sr. No.	Name of the Payee	Paid /(recovered) during the year 2016-17	Outstanding amount as on March 31, 2017	Paid /(recovered) during the year 2015-16	Outstanding amount as on March 31, 2016
1	Real Earth Estates Private Limited	(4,00,00,000)	-	-	4,00,00,000
2	Friends Auto (India) Ltd.	-	50,00,000	-	50,00,000
3	Paras Lubricants Limited	-	-	(50,00,000)	-
4	Prasneeta Construction Private Limited	(40,00,000)	-	-	40,00,000
5	Fastech Builders Private Limited	65,00,000	65,00,000	-	-
6	Fastech Projects Private Limited	55,00,000	55,00,000	-	-
7	Express Engineers & Spares Private Limited	2,80,00,000	2,80,00,000	-	-
8	Sudhir Ready Genset Consortium	40,00,000	40,00,000	-	-
	Total	**-**	**4,90,00,000**	**(50,00,000)**	**4,90,00,000**

35(B) During the year ended March 31, 2017, the Company has capitalied following expenses under Property, plant and equipment

Nature of expense	Amount
Salaries and wages	1,57,54,906
Depreciation	67,41,000
Power and fuel	80,68,667
Repair and maintenance	48,42,000
Total	**3,54,06,573**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

36. Related party disclosures

A. Names of the related parties and nature of relationship:

i) Investing party in respect of which the Company is an associate
Talbros International Private Limited

ii) Key management personnel and their relatives
Mr. Umesh Talwar
Mr. Anuj Talwar
Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)

iii) Enterprise over which key management personnel exercise significant influences
QH Talbros Private Limited

B. Transactions with related parties:

(Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
a) Sale of products	**30,98,34,263**	**29,77,76,220**
QH Talbros Private Limited	30,98,34,263	29,77,76,220
b) Royalty income	**1,38,74,008**	**1,39,16,532**
QH Talbros Private Limited	1,38,74,008	1,39,16,532
c) Purchase of Goods	**11,96,63,469**	**8,71,06,075**
QH Talbros Private Limited	11,96,63,469	8,71,06,075
d) Dividend received	**5,33,886**	**5,33,886**
QH Talbros Private Limited	5,33,886	5,33,886
e) Reimbursement of expenses/payments	**10,62,207**	**1,05,43,657**
Talbros International Private Limited	10,62,207	1,05,43,657
f) Outstanding balance included in trade receivables	**7,64,70,038**	**10,39,52,740**
QH Talbros Private Limited	7,64,70,038	10,39,52,740
g) Outstanding balance included in loans and advances	**41,81,181**	**37,12,180**
Talbros International Private Limited	10,62,207	6,24,507
QH Talbros Private Limited	31,18,974	30,87,673
h) Outstanding balance included in trade payables / other long term liabilities	**3,77,79,058**	**4,99,93,035**
QH Talbros Private Limited	3,77,79,058	4,99,93,035
Transactions with key management personnel		
Remuneration*	**1,84,73,302**	**1,66,85,614**
Mr. Umesh Talwar	1,08,42,396	1,08,24,287
Mr. Varun Talwar	-	19,72,400
Mr. Anuj Talwar	76,30,906	38,88,927

*Provision for contribution to gratuity fund and leave encashment on retirement which are made based on actuarial valuation on an overall company basis are not included in remuneration to key management personnel.

Transactions with relatives of key management personnel		
Rent paid	**7,20,000**	**720,000**
Mrs. Kum Kum Talwar	7,20,000	7,20,000

37. Letters seeking confirmation of outstanding balances at year end have been sent to all the customers / suppliers / recoverables. Confirmations have been received in few cases. Adjustments, if any, will be made in the current year on receipt / reconciliation of remaining confirmations.

38. The Group has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure required under schedule III of the Companies Act, 2013 has not been given.

39. Employee benefits:

39.1 Defined contribution plans: (Amount in ₹)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Employer's contribution to superannuation fund	17,55,911	22,63,923
(b) Employer's contribution to provident fund	2,08,76,393	2,03,59,782

39.2 Defined benefit plans:

a) Gratuity and leave encashment	Gratuity		Leave encashment	
	2016-17	2015-16	2016-17	2015-16
i) Change in the present value of the obligation:				
- Obligation at the beginning of the year	5,88,65,470	5,40,15,031	1,42,89,456	1,54,98,890
- Current service cost	54,28,302	53,15,409	79,93,244	62,41,828
- Interest cost	39,66,741	40,27,453	8,23,246	10,36,763
- Actuarial gains/ loss	(52,57,121)	7,17,400	18,00,917	(31,46,423)
- Benefits paid during the year	(1,23,09,740)	(52,09,823)	(67,19,423)	(53,41,602)
- Obligation at the end of the year	**5,06,93,652**	**5,88,65,470**	**1,81,87,440**	**1,42,89,456**
ii) Change in the fair value of the plan assets			,	
- Plan assets at the beginning of the year	3,29,56,579	2,85,10,415	-	-
- Expected return on plan assets	21,08,535	25,37,078	-	-
- Contributions by employer	91,33,258	70,76,538	-	-
- Actuarial Gains/ Loss	-	1,01,690	-	-
- Benefits paid during the year	(1,22,49,596)	(52,69,143)	-	-
- Plan assets at the end of the year	**3,19,48,776**	**3,29,56,578**	**-**	**-**
iii) Amount of obligations & assets recognized in the balance sheet				
- Present value of obligations at the end of the year	5,06,93,652	5,88,65,470	1,81,87,440	1,42,89,456
- Fair value of assets at the end of the year	3,19,48,776	3,29,56,579	-	-
- Net obligation recognized in the balance sheet	**1,87,44,876**	**2,59,08,891**	**1,81,87,440**	**1,42,89,456**
iv) Expenses recognized in the Statement of Profit & Loss				
- Current service cost	54,28,302	53,15,409	79,93,244	62,41,828
- Interest cost	39,66,741	40,27,453	8,23,246	10,36,763
- Expected return on plan assets	(21,08,535)	(23,98,940)	-	-
- Actuarial gains/ loss	(52,57,121)	5,17,768	19,32,917	(31,46,423)
Total	**20,29,387**	**74,61,690**	**1,07,49,407**	**41,32,168**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

v) Actuarial assumptions				
- Mortality rate	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE	IAL (2006-08) ULTIMATE
- Withdrawal rate	1%to 3% depending on age	1%to 3% depending on age	1%to 3% depending on age	1%to 3% depending on age
- Discount rate	7.50%	8.00%	7.50%	8.75%
- Salary escalation	6.00%	6.00%	6.00%	6.00%
-Expected rate of return on Plan Assets	8.25%	8.51%		

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

40 Earnings per share :

Basic and diluted earnings per share	Year ended March 31, 2017	Year ended March 31, 2016
a) Calculation of weighted average number of equity shares		
Number of equity shares at the beginning of the year	12,345,630	1,23,45,630
Number of equity shares at the end of the year	12,345,630	1,23,45,630
Weighted average number of equity shares outstanding during the year	12,345,630	1,23,45,630
b) Net Profit after tax available for equity shareholders	15,72,47,827	9,71,05,665
c) Basic and diluted earnings per share (Face value of ₹ 10 each)	12.74	7.87

41 (a) The Company has taken few residential / commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases.

b) The Company has also taken few commercial premises under non-cancellable operating leases. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The lease arrangements are for a period of 5 to 7 years. The total of future minimum lease payments in respect of such leases are as follows:

	2016-17	2015-16
(a) not later than one year	1,52,82,189	1,50,74,682
(b) later than one year and not later than five years	2,37,13,310	3,95,40,711
(c) later than five years	-	-
	3,89,95,499	**5,46,15,393**
Lease payments recognised in the Statement of Profit and Loss as rent expense for the year	1,51,51,799	1,49,23,832

The Company has also given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹ 58,71,858 (Previous year - ₹69,91,452) on such lease is included in Other Incomes.
With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

	2016-17	2015-16
(a) not later than one year	-	65,88,530
(b) later than one year and not later than five years	-	-
(c) later than five years	-	-
	-	**6,588,530**

42. Derivative instruments and unhedged foreign currency exposures

a) The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	As at March 31, 2017	As at March 31, 2016
Forward contracts to sell (Export)		
EURO	-	12,00,000
₹	-	9,26,57,375
Forward contracts to purchase (import)		
JPY	64,03,840	-
₹	39,50,416	-
USD	7,69,914	-
₹	5,22,27,261	-
b) Particulars of unhedged foreign currency exposures as at year end:		
Import trade payables		
EURO	16,54,640	13,56,646
₹	11,54,60,804	10,42,58,265
USD	36,26,464	31,18,511
₹	23,66,15,794	21,01,87,615
GBP	2,263	7,539
₹	1,84,982	7,32,830
SAD	540	-
₹	25,353	-
JPY	3,99,14,394	8,18,08,754
₹	2,33,03,214	5,00,01,510
THB	35,02,236	49,09,529
₹	65,77,620	95,73,581
Export trade receivables		
EURO	15,58,340	8,76,921
₹	10,69,95,629	6,39,88,984
USD	13,72,685	14,76,238
₹	8,84,83,248	9,54,53,529
GBP	76,338	60,029
₹	61,18,482	55,58,730
JPY	57,59,901	24,15,666
₹	33,03,879	13,71,374
AUD	2,233	28,298
₹	1,09,546	1,3,88,861

Notes to the Consolidated Financial Statements
for the year ended March 31, 2017

43. Salient features of Financial Statements of Joint Ventures pusuant to section 129 (3) read with rule 5 of companies Accounts) Rules, 2014

Name of Joint Ventures	Nippon Leakless Talbros Pvt. Ltd.	Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Talbros Marugo Rubber Pvt. Ltd.
Latest Audited Balance Sheet Date	**March 31, 2017**	**March 31, 2017**	**March 31, 2017**
Shares of Joint Ventures held by the Company on the year end			
-Number of shares	48,00,000	1,17,80,000	85,00,000
-Amount of Investment in Joint Venture	4,80,00,000	11,78,00,000	8,50,00,000
-Extend of holding %	40%	50%	50% less one share
Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture
Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated
Net worth attributable to shareholding as per latest audited Balance Sheet	16,78,93,591	7,61,59,943	5,90,71,179
Profit/(Loss) for the year	12,54,98,485	1,65,58,171	(1,13,62,576)
i. Considered in Consolidation	5,01,99,394	82,79,086	(56,81,288)
ii Not Considered in Consolidation	7,52,99,091	82,79,086	(56,81,288)

44 . Previous year's figures have been regrouped wherever considered necessary to conform to this year's classification.

TALBROS AUTOMOTIVE COMPONENTS LIMITED
CIN: L29199HR1956PLC033107
Registered Office: 14/1, Delhi-Mathura Road
Faridabad-121003, Haryana
Tel No.: 0129-2251482, Fax No.: 0129-2277240
Website: www.talbros.com, **Email**: shares@talbros.com

PROXY FORM

Form No. MGT 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

60th Annual General Meeting- September 26, 2017

Name of the member(s):

Registered address

Email

Folio no. / Client ID

DP ID

I/ We being the member(s) of Talbros Automotive Components Limited holding ..... shares hereby appoint

(1) Name: ..... Address: .....
Email Id ..... Signature ..... of failing him;

(2) Name: ..... Address: .....
Email Id ..... Signature ..... of failing him;

(3) Name: ..... Address: .....
Email Id..... Signature.....

As my/ our proxy to attend and vote (on a Poll) for me/ us and on my/ our behalf at the 60th Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017 at 10:30 a.m. at Hotel Saffron Kiran, 12/6, NH-2, (Near to Sarai Metro Station and Badarpur Toll Plaza) Sarai Khwaja, Faridabad -121003, Haryana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)	
		For	Against
Ordinary Business			
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors for the financial year ended March 31, 2017.		
2.	Declaration of Dividend on paid- up Equity Share Capital for the financial year ended March 31, 2017.		
3.	To appoint a Director in place of Mr. Navin Juneja (DIN: 00094520) who, retires by rotation and being eligible, offers himself for re- appointment.		
4.	To appoint M/s. J C Bhalla & Co.., (Firm Registration No. 001111N) New Delhi as Statutory Auditors of the Company and M/s. A. R. Sulakhe & Co., (Firm Registration No. 110540W) as auditors for Company's Pune Branch and authorize Board of Directors to fix their remuneration.		
Special Business			
5.	Re- appointment of Mr. Umesh Talwar (DIN: 00059271), Vice Chairman & Managing Director, with effect from April 1, 2018 for a period of 3 years. (Special Resolution)		
6.	Re- appointment of Mr. Anuj Talwar (DIN: 00628063), Joint Managing Director with effect from August 14, 2018 for a period of 3 years. (Special Resolution)		
7.	Agreement with Talbros Marugo Rubber Private Ltd for rendering services of Company Secretary and other management services. (Ordinary Resolution)		
8.	Acceptance of Fixed Deposits from Public. (Special Resolution)		
9.	Ratification of remuneration of M/s. Vijender Sharma & Co., (Firm Registration No. 00180) as Cost Auditors. (Ordinary Resolution)		

Signed this …… day of …… 2017.

Affix Re. 1 Revenue Stamp

…….....
Signature of the member

.....……
Signature of proxy holder(s)

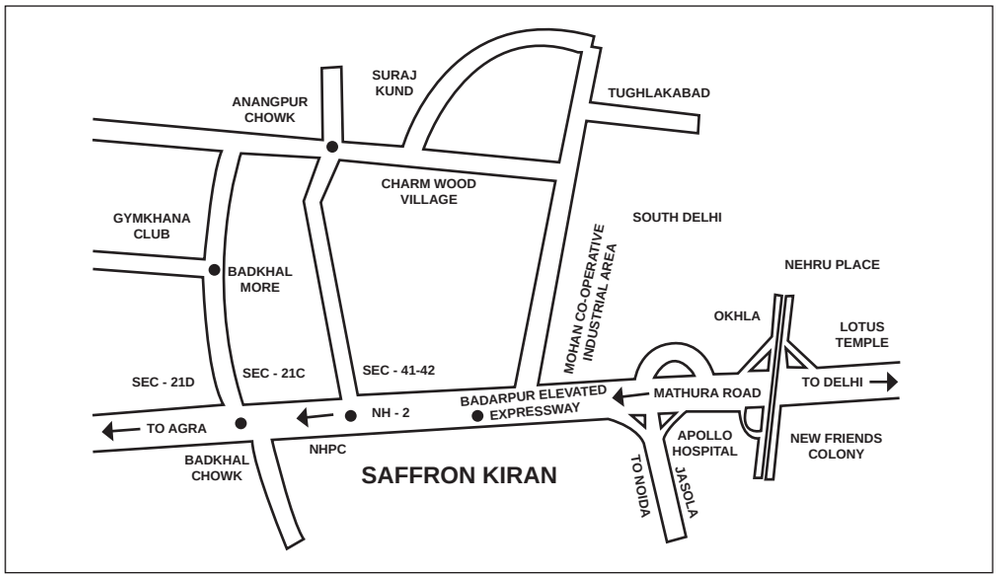
Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Route Map of the 60th AGM venue is as follows:

Directions:

Shareholders can reach at the venue via Delhi- Mathura Road- Badarpur elevated expressway. It's near Sarai Metro Station and Badarpur Toll Plaza.



TALBROS AUTOMOTIVE COMPONENTS LIMITED

CIN: L29199HR1956PLC033107

Registered Office: 14/1, Delhi-Mathura Road
Faridabad-121003, Haryana

Tel No.: 0129-2251482, Fax No.: 0129-2277240

Website: www.talbros.com, Email: shares@talbros.com

ATTENDANCE SLIP

60th Annual General Meeting- 26th September, 2017

Registered Folio no. / DP ID no. / Client ID no. :

Number of shares held

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

I hereby record my presence at the 60th Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017 at 10:30 a.m. at Hotel Saffron Kiran, 12/6, NH-2, (Near to Sarai Metro Station and Badarpur Toll Plaza) Sarai Khwaja, Faridabad -121003, Haryana.

....

Name of the Member/ Proxy/ Representative
(In BLOCK letters)

Signature of the Member/ Proxy/ Representative

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Naresh Talwar (Chairman)
Mr. Umesh Talwar (Vice Chairman & Managing Director)
Mr. Varun Talwar (Joint Managing Director)
Mr. Vidur Talwar
Mr. Anuj Talwar (Joint Managing Director)
Mr. Anil Kumar Mehra
Mr. Rajive Sawhney
Mr. V. Mohan
Mr. Amit Burman
Mr. NavinJuneja
Mr. Rajeev Ranjan Vederah
Ms. PallaviSadanandPoojari

CHIEF FINANCIAL OFFICER
Mr. Manish Khanna

COMPANY SECRETARY
Mrs. Seema Narang

MAIN BANKERS
HDFC Bank
YES Bank
DBS Bank
IDFC Bank

AUDITORS
S. N. Dhawan& Co.
Chartered Accountants
C- 37, Connaught Place, New Delhi- 110 001

REGISTRAR AND SHARE TRANSFER AGENT
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot number 31 & 32,
Financial District Gachibowli,
Hyderabad 500 032

STOCK EXCHANGE WHERE SHARES LISTED
National Stock Exchange of India Limited (NSE)
Bombay Stock Exchange Limited (BSE)

CORPORATE IDENTIFICATION NUMBER
L29199HR1956PLC033107

REGISTERED OFFICE
14/1, Delhi Mathura Road,
Faridabad- 121 003 (Haryana)

HEAD OFFICE
1411, Nicholson Road
Kashmere Gate, Delhi- 110 006

WEBSITE
www.talbros.com

WORKS
Gasket Plant- I
14/1, Delhi Mathura Road,
Faridabad- 121 003 (Haryana)

Gasket Plant- II
Bhaskar Estate, Amar Nagar, Sector 27-C
Main Mathura Road, Faridabad- 121 003
(Haryana)

Gasket Plant- III
Plot No. 68, F-Ii, Midc
Pimpri, Pune- 411 018

Gasket Plant- IV
Plot No. B- 177, Phase- I
Eldeco- Sidcul Industrial Park,
Sitarganj, Uttrakhand- 262 405

Forging Division
Plot No. 39 to 46, Sector-6
Industrial Growth Centre
Bawal- 123 501, Distt. Rewari (Haryana)

Material Division
Mandkola Road, Vill. Atta, Sohna
Gurgaon- 122 003 (Haryana)

Driving Future Leadership

CIN No. - L29199HR1956PLC033107
Talbros Automotive Components Limited
14/1, Mathura Road,
Faridabad - 121003
Haryana (India)
Ph: +91 129 2251482