



FORM A
(Pursuant to clause 31(a) of Listing Agreement)

Format of covering letter of the annual audit report to be filled with the Stock Exchange

S. No.	Particulars	Details
1.	Name of the Company	Talbro Engineering Limited
2.	Annual Financial Statements for the year ended	31 st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- CEO / Managing Director/ EXECUTIVE DIRECTOR CFO <i>[Signature]</i> Auditor of the Company Audit Committee Chairman	 <i>[Signature]</i> <i>[Signature]</i>   <i>[Signature]</i>



29th Annual Report 2014-15



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No. 09701/0
No. 02108/0

TALBROS ENGINEERING LIMITED



TALBROS ENGINEERING LIMITED

Regd. Office: Plot No. 74-75, Sector 6, Faridabad, Haryana – 121 006

CIN: L74210HR1986PLC033018

Phone: 0129-4284300, Fax: 0129-4061541

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

29TH ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

MR. KANWAR PAL PAWAR

COMPANY SECRETARY

MR. ANKUSH JINDAL

BANKERS

INDUSIND BANK LIMITED

AUDITORS

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

REGISTRAR AND TRANSFER AGENT (RTA)

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

REGISTERED OFFICE

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

WORKS

PLOT NO. 35 TO 38 & 57, INDL. AREA, HATHIN,
DISTT. PALWAL (HARYANA)
PLOT NO. 77, SECTOR-68, IMT FARIDABAD.

STOCK EXCHANGE

BOMBAY STOCK EXCHANGE LIMITED
DELHI STOCK EXCHANGE LIMITED

CONTENTS

	Page No.
Directors' Report	1
Management Discussion & Analysis Report	17
Corporate Governance	19
Independent Auditors' Report	31
Balance Sheet	34
Profit & Loss Account	35
Cash Flow Statement	36
Notes	37

DIRECTORS' REPORT

To The Members,

The Directors have pleasure in presenting 29th Annual Report on the business and operations of the Company alongwith the audited Balance Sheet and Statement of Profit & Loss for the year ended on 31st March, 2015.

FINANCIAL RESULTS:**(₹ in Lacs)**

Particulars	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Gross Sales	13,829.10	12,945.12
Less: Excise Duty	1,209.16	1,212.36
Net Sales	12,619.94	11,732.76
Other Income	260.38	296.65
Total Income	12,880.32	12,029.41
Profit before Interest, Depreciation & Tax	1,264.18	1,236.11
Less : Interest	245.33	360.71
Depreciation	358.90	286.50
Profit Before Tax	659.95	588.90
Less : Previous Year adjustments	2.86	1.43
Provision for Wealth Tax	0.47	0.36
Provision for current year income-tax	244.60	192.00
Provision for Deferred Tax	(42.86)	5.82
Net Profit after tax	454.88	389.29
Add : Balance carried from Profit & Loss A/c	1,808.49	1,547.29
Net profit after tax and adjustments	2,263.37	1,936.58
Dividends		
Less : Interim Dividend	NIL	NIL
Final Dividend (Proposed)	152.30	76.15
Dividend Distribution Tax on Proposed Dividend	31.87	12.94
Transferred to General Reserve	45.00	39.00
Balance carried to Balance Sheet	2,034.20	1,808.49
EPS (Basic)	17.92	18.03
EPS (Diluted)	17.92	18.03

REVIEW OF OPERATIONS:

Your company has shown sales turnover of ₹ 12,619.94 Lacs in this financial year ended on 31st March, 2015, a growth of around 7.56 % as against ₹ 11,732.76 Lacs for the previous financial year. The net profit after tax for this year is ₹ 454.88 Lacs, a growth of around 16.85% as

compared to ₹ 389.29 Lacs for the previous financial year.

Reserves & Surplus as on 31st March, 2015 will stand at ₹ 3,001.81 Lacs as against the paid-up capital of ₹ 253.83 Lacs.

DIVIDEND:

Your Directors recommend a final dividend of ₹ 6 per share (60%). The dividend payout, if approved in the forthcoming Annual General Meeting, will result in outflow of ₹ 184.16 Lacs inclusive of ₹ 31.87 Lacs on Dividend Tax.

Dividend including dividend tax as a percentage of profit after tax before exceptional items is 40.49% as compared to 22.89 % in the previous year.

TRANSFER TO GENERAL RESERVE:

Your directors recommended a transfer of ₹ 45,00,000/- (Rupees Forty Five Lakhs) to the general reserves of the Company.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper Internal Control System commensurate with the size, scale and complexity of its operations. To maintain the objectivity and independence, the Internal Audit team reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control system in the company, accounting procedures and policies. Based on the internal audit report, the Company undertake corrective action in their respective areas and thereby strengthen the control.

MARKETING AND EXPORT:

A modest pick in the Global economy boosted the export of the company from 1,813.97 Lacs to 2,870.32 Lacs in the year 2014-15. Aggressive marketing efforts and relentless focus on quality have been impressive and export performance enablers with nonetheless adding more customers in the clientele list of the Company.

JOINT VENTURE:

In order to expand the business activities, your Company has joined hands with Sypris (a USA based Company) for

Cold Extrusion forging capability. The Joint Venture agreement will be finalized in the current fiscal.

RATING:

Your Company has been assigned a rating of BBB Stable for Fund based bank limits of ₹ 15 Crores and rating of A2 for Non Fund based bank limits availed from Indusind Bank Limited. The rating is assigned by ICRA Limited.

SUBSIDIARIES:

The Company is not having any subsidiary company.

DIRECTORS:

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

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

Further, the Nomination & Remuneration Committee of the Board of Directors has considered and recommended for the re-appointment and remuneration payable to Mr. Tarun Talwar, Managing Director, Mr. Sanjay Sharma, Executive Director and Mr. Vijay Kumar Sharma, Executive Director of the Company. Your Directors recommend to pass necessary resolution as set out in the item no. 5-7 of the notice of the annual general meeting.

DECLARATION BY INDEPENDENT DIRECTORS:

The Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of the Companies Act, 2013 as well as clause 49 of the Listing Agreement.

NUMBER OF MEETINGS OF THE BOARD:

The Board met 6 (six) times during the financial year under review, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and clause 49 of Listing Agreement, Independent Directors at their meeting without the participation of the Non-Independent Directors and Management, considered / evaluated the Boards' performance including the chairman.

The Board subsequently evaluated its own performance, the working of its committees (Audit, Nomination and

Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director).

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

AUDIT COMMITTEE:

The Company has constituted an Audit Committee w.e.f. 07th August, 2014 with 3 (Three) Directors and Independent Director as chairman of the Committee. During the year two meetings were held. The responsibility and duties of Audit Committee have been detailed in the Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration has been constituted w.e.f. 07th August, 2014 with 3 (three) Non Executive Directors. During the year 1 (One) meeting has been held. The key areas of Committee has been detailed in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

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

RELATED PARTY TRANSACTIONS:

The Company has entered into transactions with a related party for availing job work services. The said party is covered under the definition of related party as per Listing Agreement. The transactions entered into with the related party during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to section 177(9) of the Companies Act, 2013, read with rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014 and clause 49 of the Listing Agreement, the Board of Directors have approved the policy on Vigil Mechanism/Whistle Blower and the same was hosted on the website of the Company.

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

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

STATUTORY AUDITORS:

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

Your directors request that the appointment of M/s Rakesh Raj & Associates, the Company's Auditors are required to be re-appointed for two more years and being eligible offers themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 141 of the Companies Act, 2013

You are requested to appoint them as Statutory Auditors form the conclusion of this Annual General Meeting upto the conclusion of 31st Annual General Meeting.

SECRETARIAL AUDIT REPORT AND THE APPOINTMENT OF THE SECRETARIAL AUDITOR:

The Company has appointed M/s Sonal Agarwal & Associates, Company Secretaries to hold the office of Secretarial Auditors and to conduct the Secretarial Audit and the Secretarial Audit Report for the financial year ended on 31st March, 2015 is being attached with the Director's Report as Annexure – B which is self explanatory and needs no comments.

COST AUDITOR'S AND THEIR REPORT:

Comments of the Cost Auditors in their report are self explanatory and the Company has filed the Cost Audit Report for the financial year 2013-14 to the Central Government on dated 13th January, 2015.

M/s Jai Prakash & Co., the Company's Cost Auditors was appointed for the financial year 2014-15 and the Company has already obtained approval of Central Government. The Company has received a certificate from the cost auditors to the effect that their re-appointment is in accordance with the provisions of section 141 of the Companies Act, 2013.

INSURANCE AND RISK MANAGEMENT:

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

DEPOSITS:

During the year under review, the Company has repaid all deposits accepted and further has not accepted any deposit from the members of the general public as on 31st March, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all of its major stipulations as applicable to the Company. The Statutory Auditor's Certificate date 27th June, 2015 in accordance with clause 49 of the Listing Agreement and report on Corporate Governance is annexed to and forming part of the Director's Report.

Mr. Tarun Talwar, Managing Director and Mr. Kanwar Pal Pawar, Chief Financial Officer, have given a certificate to the Board as contemplated in sub-clause V of clause 49 of the listing agreement.

CORPORATE SOCIAL RESPONSIBILITY:

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

softwares and hardwares required for providing good knowledge and education to the childrens.

Further, the Company has also contributed to a NGO namely HMP foundation for promoting health in rural areas where people lack the right guidance for regular health check-ups and proper treatment. HMP foundation has conducted various community health centres and organized various Eye and General Check-up camps in interior rural areas of Bharuch and Narmada district villages. The NGO has also conducted various counseling projects to identify the aptitudes in childrens.

The Company has also contributed to Parashar Foundation, a NGO which is engaged in organ donation activities and laid emphasis on creating organ receiving and giving awareness network in Delhi and nearby areas.

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

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

The Composition of the CSR committee is:

1. Mr. Tarun Talwar, Managing Director
2. Mr. Sanjay Sharma, Executive Director
3. Mr. Sunil Kumar, Independent Director

The average net profit of the company for last three (3) financial years is ₹ 6.68 Crores (approx.). The threshold limit (2%) is ₹ 13.37 Lacs.

The total amount spent by the Company in year 2014-15 is ₹ 12 Lakhs. However, the Company is planning to promote flora around the registered office area and will utilize the unspent amount of ₹ 1.37 Lakhs in next financial year.

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

S. No.	CSR Project/activity identified	Sector in which the project is covered	Projects/ Programs Local area/others	Amount outlay (budget) project or programs wise (₹ In Lakhs)	Amount spent on the project/ Program (₹ In Lakhs)	Cumulative expenditure upto the date of reporting period (₹ In Lakhs)	Amount Spent: Director or through implementing agency (₹ In Lakhs)
1	Promoting Preventive Health Care	Healthcare	Ankleshwar (Gujarat)	3.00	3.00	3.00	3.00
2	Promoting Education	Education	New Delhi	2.00	2.00	2.00	2.00
3	Building Construction for Orphans	Construction	Dehradun	5.00	5.00	5.00	5.00
4	Promoting Organ Donation	Healthcare	New Delhi	2.00	2.00	2.00	2.00
				12.00	12.00	12.00	12.00

* Details of Implementing Agency: HMP Gramya Vikas and Kalyan Foundation, RBTH Singh Memorial Charitable Hospital Society, Shri Shradhanand Bal Vanita Ashram and Parashar Foundation.

MANAGEMENT DISCUSSION AND ANALYSIS:

A Management discussion and Analysis as required under the Clause 49 of the Listing Agreement is annexed and forming part of the Directors' Report.

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

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

PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 197(12) of the

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

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

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information

is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

CORPORATE GOVERNANCE CERTIFICATE:

The Compliance Certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement has been annexed to this report.

RISK MANAGEMENT POLICY:

Pursuant to the provisions of section 134(3)(n) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the Corporate Governance report.

EXTRACTS OF THE ANNUAL RETURN:

The Extracts of the Annual Return for the year 2014-15 being attached with the Directors Report as Annexure - C

ACKNOWLEDGEMENT:

Your Company outperformed the industry in a challenging year and continue to maintain its leadership position. It has also been surpassing all international quality and cost benchmarks and continues to build shareholders value. Your Directors look to the future with confidence.

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

For and on behalf of the Board

Place: Faridabad
Date : 27.06.2015

Sd/-
Kartik Talwar
Chairman

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

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

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

upgrading its technology. The upsetter will be installed in the factory premises in next fiscal.

- The company has also installed 3 CNCs and 1 VMC in premises which results in better product quality and cost reduction.
- The company has not incurred any expenditure on Research & Development activities during the year under review.

(C) Foreign Exchange Earning and Outgo:

S. No.	Particulars	Amount (In ₹)
	Expenditure	
1.	CIF Value of Plant and Machinery imported	1,20,12,300
2.	Commission on Export Sales	11,79,872
3.	Foreign Travelling	7,11,792
4.	Repair & Maintenance (Plant & Machinery)	84,883
	Total	1,39,88,847
	Earnings	
1.	Value of Exports on FOB Basis	28,25,98,197
	Total	28,25,98,197

(B) Technology absorption:

- The Company has imported a 7 inch upsetter amounting ₹ 1.20 Crores during the year for

ANNEXURE-B**SECRETARIAL AUDIT REPORT****For the Financial Year Ended on 31st March, 2015**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and return filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

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

- (a) The Securities and Exchange Board of India (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, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding 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;

(vi) OTHER APPLICABLE ACTS,

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees' State Insurance Act, 1948, and rules made thereunder,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1956, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,

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

TALBROS ENGINEERING LIMITED



the information, explanations and management representation, the Company has substantially complied with tax laws applicable to the Company.

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

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

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

Sonal Agarwal

Practising Company Secretary

Place: Faridabad

M. NO. ACS 33123

Date : 27.06.2015

COP No. 12199

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

ANNEXURE-1

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

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

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

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

Sonal Agarwal

Practising Company Secretary

Place: Faridabad

M. NO. ACS 33123

Date : 27.06.2015

COP No. 12199

ANNEXURE-C**FORM NO. MGT-9****EXTRACTS OF ANNUAL RETURN****As on the financial year ended on
31st March, 2015****[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS**

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacturing of Axle Shafts	87089900	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) INDIAN									
a) Individual / HUF	18,35,828	Nil	18,35,828	72.33	18,35,936	Nil	18,35,936	72.33	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	18,35,828	Nil	18,35,828	72.33	18,35,936	Nil	18,35,936	72.33	Nil

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	
2) FOREIGN									
a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other– Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other.....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of promoter (A)= (A)(1) + (A)(2)	18,35,828	Nil	18,35,828	72.33	18,35,936	Nil	18,35,936	72.33	Nil
B.PUBLIC SHAREHOLDING									
1) INSTITUTIONS									
a) Mutual Funds	4,043	Nil	4,043	0.16	4,043	Nil	4,043	0.16	Nil
b) Banks / FI	45,715	360	46,075	1.82	45,715	360	46,075	1.82	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B) (1):-	49,758	360	50,118	1.98	49,758	360	50,118	1.98	Nil
2) NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	9,303	3,125	12,428	0.49	7,547	3,075	10,622	0.42	(0.47)
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,80,855	1,88,673	3,69,528	14.56	1,80,704	1,83,433	3,64,137	14.35	(0.21)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30,042	Nil	30,042	1.18	30,450	Nil	30,450	1.20	0.02

TALBROS ENGINEERING LIMITED



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others:									
i) Trusts	20	Nil	20	0.00	20	Nil	20	0.00	Nil
ii) NRI	2,34,226	960	2,35,186	9.27	2,35,024	Nil	2,35,334	9.27	Nil
iii) HUF	5,102	Nil	5,102	0.20	11,635	Nil	11,635	0.46	0.26
Sub-total (B)(2):-	4,59,548	1,92,758	6,52,306	25.70	4,65,380	1,86,508	6,52,198	25.70	Nil
Total Public Shareholding (B)= (B)(1) + (B)(2)	5,09,306	1,93,118	7,02,424	27.67	5,15,138	1,86,868	7,02,316	27.67	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total(A+B+C)	23,45,134	1,93,118	25,38,252	100.00	23,51,074	1,86,868	25,38,252	100.00	Nil

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Kartik Talwar	20,487	0.81	Nil	20,487	0.81	Nil	Nil
2	Mr. Karan Talwar	52,524	2.07	Nil	52,524	2.07	Nil	Nil
3	Tarun Talwar (HUF)	78,945	3.11	Nil	78,945	3.11	Nil	Nil
4	Rakesh Talwar (HUF)	1,36,207	5.37	Nil	1,36,207	5.37	Nil	Nil
5	Mrs. Naini Talwar	1,47,330	5.80	Nil	1,47,330	5.80	Nil	Nil
6	Mr. Rakesh Talwar	2,96,317	11.67	Nil	2,96,317	11.67	Nil	Nil
7	Mrs. Gita Talwar	5,08,877	20.05	Nil	5,08,877	20.05	Nil	Nil
8	Mr. Rajesh Talwar	5,95,141	23.45	Nil	5,95,249	23.45	Nil	0.00
	Total	18,35,828	72.33	Nil	18,35,936	72.33	Nil	Nil

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Mr. Rajesh Talwar				
	At the beginning of the year	5,95,141	23.45	5,95,141	23.45
	Date wise Increase / Decrease in promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	108 Shares purchased from a shareholder on 21.11.2014	0.00	5,95,249	23.45
	At the end of the year	5,95,249	23.45	5,95,249	23.45

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

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Top 10 Shareholders				
1.	Mahendra Girdharilal	16,050	0.632	16,050	0.632
2.	Tushar Kanti Chopra	14,400	0.567	14,400	0.567
3.	Laxmikant Ramprasad Kabra	7,798	0.307	7,798	0.307
4.	Shailender Soni	6,983	0.275	6,983	0.275
5.	Anil Soni	6,983	0.275	6,983	0.275
6.	Naresh Soni	6,508	0.256	6,508	0.256
7.	Sushil Soni	6,300	0.248	6,300	0.248
8.	Sushil Soni	6,300	0.248	6,300	0.248
9.	Kavita Gogia	4,468	0.176	4,468	0.176
10.	Ajay Kumar	3,997	0.157	3,997	0.157

(vi) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For Each of the Directors and KMP				
1	Mr. Tarun Talwar – Managing Director				
	At the beginning of the year	78,945	3.11	78,945	3.11
	Date wise Increase / Decrease in Shareholding during the year - Transfer to Tarun Talwar (HUF)	78,945	3.11	Nil	Nil
	At the end of the year			Nil	Nil

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

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

V. INDEBTEDNESS (₹ In Lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	407.55	161.00	396.51	965.06
ii) Interest due but not paid	Nil	Nil	3.04	3.04
iii) Interest accrued but not due	0.29	Nil	Nil	0.29
Total (i+ii+iii)	407.84	161.00	399.55	968.39
Change in Indebtedness during the financial year				
• Addition	0.08	157.85	Nil	157.93
• Reduction	136.69	Nil	399.55	536.24
Net Change	(136.61)	157.85	(399.55)	(378.31)
Indebtedness at the end of the financial year				
i) Principal Amount	270.86	318.85	Nil	589.71
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.37	Nil	Nil	0.37
Total (i+ii+iii)	271.23	318.85	Nil	590.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Tarun Talwar - MD	Mr. Sanjay Sharma - ED	Mr. Vijay Kumar Sharma - ED	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.94	8.80	8.72	49.46
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.36	Nil	Nil	0.36
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- As % of profit	Nil	Nil	Nil	Nil
	- Others, specify	Nil	Nil	Nil	Nil
5.	Others:				
	i) Medical Reimbursement	Nil	0.23	0.23	0.46
	ii) Leave Travel Allowance	Nil	0.23	0.23	0.46
	Total (A)	32.30	9.26	9.18	50.74
	Ceiling as per the Act				64.97

B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Sunil Kumar	Ms. Priyanka Khattar	
1.	Independent Directors			
	• Fees for attending board/ committee meetings	5,000	5,000	10,000
	• Commission	Nil	Nil	
	• Others, please specify	Nil	Nil	
	Total (1)	5,000	5,000	10,000
2.	Other Non-Executive Directors			
	• Fees for attending board/ committee meetings	Nil	Nil	Ni
	• Commission	Nil	Nil	Ni
	• Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B) = (1+2)	5,000	5,000	10,000
	Total Managerial Remuneration			10,000
	Overall Ceiling as per the Act			64.97 Lacs

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	4.30	2.96	7.26
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	N.A.	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	N.A.	Nil	Nil	Nil
2.	Stock Option	N.A.	Nil	Nil	Nil
3.	Sweat Equity	N.A.	Nil	Nil	Nil
4.	Commission				
	- As % of profit	N.A.	Nil	Nil	Nil
	- Others, specify		Nil	Nil	Nil
5.	Others:				
	i) Medical Reimbursement	N.A.	0.12	0.05	0.17
	ii) Leave Travel Allowance	N.A.	0.12	0.05	0.17
	Total	N.A.	4.54	3.06	7.60

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Place: Faridabad
Date : 27.06.2015

Sd/-
Kartik Talwar
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended 31st March, 2015

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

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

(B) OPPORTUNITIES AND THREATS

The Company has a world class manufacturing facility located at Faridabad and Hathin in Haryana and is equipped with latest technology and highly qualified engineering team. The Company is planning to diversify its product portfolio and entering into new international markets. For the purpose, the Company started expanding its hands in manufacturing of torsion bars, spindles and front axles. In international business, our largest market is North America and we also serve some small customers scattered across various Central and south American countries. Consequently, our export sales have been increased in the year ended 31st March, 2015.

The Company has entered into a Joint Venture Agreement with Sypris Technologies, Inc. U.S.A. for manufacturing of automotive Rear Axle Shafts by using the extrusion technology equipment.

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

(C) SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

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

(D) OUTLOOK

The Company does not foresee any major threats to its growth and market share in the coming years. Export will continue to be a leader. The infrastructure

need of the company is also completed by catering a new area for production.

Further, the proposed Joint Venture with Sypris will also move the company in new direction and helps it take away from the queue of competitors and to build the Talbro's to be global brand name.

(E) RISKS AND CONCERNS

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

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

Your Company has achieved a sales turnover of ₹ 13,829.10 Lacs in this financial year ended on 31st March, 2015 as against ₹ 12,945.12 Lacs in the previous financial year. Net profit after tax for this year stands at ₹ 454.87 Lacs as against ₹ 389.29 Lacs in previous year. Exports turnover (F.O.B. Value) for the year ended on 31st March, 2015 is ₹ 2,825.98 Lacs as compared to ₹ 1,814.46 Lacs in the previous financial year.

Keeping in view the growth of the Company, the Board recommends a dividend of ₹ 6.00 per share as against ₹ 3.00 in previous financial year. The total dividend pay out amount including Corporate Dividend Tax is ₹ 184.16 Lacs as against ₹ 89.09 Lacs in the previous year. Dividend including dividend tax as a percentage of profit after tax before exceptional items is 40.49% in current financial year as compared to 22.89% in previous financial year.

TALBROS ENGINEERING LIMITED



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

As on March 31, 2015, the Company had 192 number of permanent employees at its manufacturing plants and administrative office located at Faridabad and Hathin.

The company considers the employee values and

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

For and on behalf of the Board

Place: Faridabad
Date : 27.06.2015

Sd/-
Kartik Talwar
Chairman

CORPORATE GOVERNANCE

1. PHILOSOPHY:

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

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

2. BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their directorship as on March 31, 2015

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

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

S. No.	Name of the Director	Board Meetings held during the year and attendance of Directors						Attendance in Last AGM (13.09.2014)
		27.05.2014	07.08.2014	11.11.2014	23.01.2015	18.02.2015	27.02.2015	
1	Mr. Tarun Talwar	Yes	Yes	Yes	Yes	Yes	Yes	No
2	Mr. Kartik Talwar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Sanjay Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Vijay Kumar Sharma	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr. Sunil Kumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Ms. Priyanka Khattar*	N.A.	N.A.	Yes	Yes	Yes	Yes	Yes

* Ms. Priyanka Khattar has been appointed as an Independent Director of the Company w.e.f. 07.08.2014.

The notice and agenda of each Board Meeting are circulated to all the directors at least 7 days before the date of meeting through the permissible modes. All major agenda items are backed by comprehensive background information to enable the board to take informed decisions.

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

Independent Directors

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

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

All Independent Directors maintain their limits of directorships as required under clause 49 of the Listing Agreement.

Performance Evaluation of Directors

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

Role & Accountability

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

Objectivity

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

Leadership and Initiative

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

Personal Attributes

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

3. DETAILS OF COMMITTEES OF BOARD OF DIRECTORS:

(A) AUDIT COMMITTEE:

(a) Terms of Reference:

As required and mandated under the Companies Act, 2013 and rules made thereunder and clause 49 of Listing Agreement, the Audit Committee has been constituted by the Board of Directors. The major roles of Audit Committee are as follows:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particulars reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
 - v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - viii) Approval of any subsequent modification of transactions of the company with related parties;
 - ix) Scrutiny of inter-corporate loans and investments;
 - x) Valuation of undertakings or assets of the company, wherever it is necessary;
 - xi) Evaluation of internal financial controls and risk management systems;
 - xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii) Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xiv) Discussion with internal auditors of any significant findings and follow up there on;
 - xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xviii) To review the functioning of the Whistle Blower mechanism;
 - xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (b) Composition of Audit Committee, Meetings held during the year and Attendance of Members:**
- The Audit Committee has been constituted in a Board Meeting held on 07th August, 2014 in compliance with the provisions of Section 177 of Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement.

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members	
			11.11.2014	23.01.2015
1	Ms. Priyanka Khattar	Chairman	Yes	Yes
2	Mr. Tarun Talwar	Member	Yes	Yes
3	Mr. Sunil Kumar	Member	Yes	Yes

(B) NOMINATION AND REMUNERATION COMMITTEE:**(a) Terms of Reference:**

As required and mandated under the Companies Act, 2013 and rules made thereunder and clause 49 of Listing Agreement, the Nomination and Remuneration Committee has been constituted by the Board of Directors. The major roles of Nomination and Remuneration Committee are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) Formulation of criteria for evaluation of independent Directors and the Board;
- (iii) Devising a policy on Board diversity;

- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

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

The Nomination and Remuneration Committee has been constituted in a Board Meeting held on 07th August, 2014 in compliance with the provisions of Section 178 of Companies Act, 2013 and rules made thereunder and clause 49 of the Listing Agreement.

One meeting of Nomination and Remuneration Committee has been held on 06th August, 2014 during the year ended on March 31, 2015.

S. No.	Name of Member	Designation in Committee	Meetings held during the year and attendance of Members
			06.08.2014
1	Mr. Kartik Talwar	Chairman	Yes
2	Mr. Sunil Kumar	Member	Yes
3	Ms. Priyanka Khattar	Member	Yes

(c) Remuneration Policy:

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

Non Executive and Independent Director

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

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

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

Managing Director

In case for the appointment as a Managing Director, the Nomination and Remuneration Committee shall identify the person of integrity who possess rich expertise, experience, knowledge, qualification and leadership qualities required for the position and shall take into consideration, the recommendations, if any, received from the members of the Board. The candidate identified shall be recommended to the Board of Directors and is eligible for appointment only after the approval of members of the Company in general Meeting. The committee shall also ensure that the candidate identified shall fulfil all the conditions and criteria as envisaged in the relevant clauses and schedules of Companies Act, 2013 and rules made there under.

Remuneration to Directors

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

The Managing Director shall be entitled to receive the remuneration as mutually agreed between the

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

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

(d) Details of Remuneration paid during the year 31st March, 2015:

S. No.	Name of the Director	Designation	Remuneration Paid (Amount in ₹ Lakhs)
1	Mr. Tarun Talwar	Managing Director	32.30
2	Mr. Sanjay Sharma	Executive Director	9.26
3	Mr. Vijay Kumar Sharma	Executive Director	9.18

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

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:**(a) Composition of Stakeholders Relationship Committee, Meetings held during the year and Attendance of Members:**

During the year, the nomenclature of Share Transfer Committee has been changed to Stakeholders Relationship Committee. The members of the said committee includes 2 Executive Directors and one Non Executive Director as Chairman of the Committee. The

committee is looking after and reviewing the actions for redressal of shareholders and investors grievances. The Committee is also responsible for transfer and transmission of shares as requested by the shareholders of the company from time to time.

During the year ended 31st March, 2015, the Stakeholders Relationship Committee met 39 times.

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year
1	Mr. Kartik Talwar	Chairman	34
2	Mr. Tarun Talwar	Member	36
3	Mr. Sanjay Sharma	Member	39

Mr. Ankush Jindal, Company Secretary of the Company has been appointed as compliance officer of the Company w.e.f. 07th August, 2014.

During the year, the Company has not received 8 complaints from shareholders and investors. All the complaints have been resolved on time to the satisfaction of the complainants.

(D) RISK MANAGEMENT COMMITTEE**Composition of Risk Management Committee,****Meetings held during the year and Attendance of Members:**

The Risk Management Committee has been constituted pursuant to the provisions of clause 49 of Listing Agreement with two Executive Directors and one Non Executive Director. The Committee is responsible for minimizing the risk causing factors of the Company. During the years, the members of the Committee met twice as per details below:

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			02.09.2014	20.03.2015
1	Mr. Tarun Talwar	Member	No	Yes
2	Mr. Sunil Kumar	Member	Yes	Yes
3	Mr. Sanjay Sharma	Member	Yes	Yes

(E) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**(a) Composition of Corporate Social Responsibility Committee, Meetings held during the year and Attendance of Members:**

The Corporate Social Responsibility (CSR)

Committee has been constituted pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder. The Committee has Two Executive Directors and One Non Executive and Independent Director as members. The Committee met 2 times during the financial year ended 31st March, 2015

S. No.	Name of Member	Designation in Committee	Attendance of Members in Meetings held during the year	
			12.08.2014	20.03.2015
1	Mr. Tarun Talwar	Chairman	Yes	Yes
2	Mr. Sanjay Sharma	Member	Yes	Yes
3	Mr. Sunil Kumar	Member	Yes	Yes

(b) Terms of Reference:

The Committee is responsible for the following purposes:

- formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in the Companies Act, 2013, its rules and regulations thereof for the time being in force;
- recommendation on the amount of expenditure to be incurred on the various CSR activities;
- monitoring of the CSR Policy of the company from time to time;
- such other acts and deeds in relation to CSR activities of the company, as it may deem fit

or as may be assigned to it by the Board of Directors.

4. INDEPENDENT DIRECTORS MEETING:

During the year ended 31st March, 2015, the Independent Directors met on 15th January, 2015, inter alia to review and discuss:

- (i) the performance of Non Independent Directors and the Board of Directors as a whole;
- (ii) the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- (iii) to assess the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

There are 2 (Two) independent Directors in the Company and both are present in the meeting.

5. GENERAL BODY MEETINGS:**(a) Details of last 3 (Three) Annual General Meetings are as under:**

S. No.	Financial Year	Date	Time	Venue
1.	2013-14	13.09.2014	11:30 a.m.	Hotel Millennium, 67, Neelam Bata Road, Faridabad, Haryana – 121 001
2.	2012-13	28.09.2014	11:30 a.m.	Hotel Milleneum Plus, 57, Neelam Bata Road, Faridabad, Haryana – 121 001
3.	2011-12	26.09.2012	11:30 a.m.	Hotel Milleneum Plus, 57, Neelam Bata Road, Faridabad, Haryana – 121 001

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

- (1) At Annual General Meeting held on 26th September, 2012
 - a) Appointment of Mr. Rajesh Talwar, as President of the Company for holding office or Place of Profit.
 - b) Revision in remuneration of Mr. Tarun Talwar, Managing Director of the Company.
 - c) Amendment in Article 52(b) of Articles of Association of the Company.
- (2) No Special Resolution has been passed at Annual General Meeting of the Company held on 28th September, 2013
- (3) At Annual General Meeting held on 13th September, 2014
 - a) Limits of borrowings under section 180(1)(c) of the Companies Act, 2013
 - b) Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013.

(c) Postal Ballot:

During the year ended March 31, 2015, no ordinary or special resolution has been passed by the Company's shareholders through postal ballot.

The proposed Special Resolution to be passed at Postal Ballot is consideration of limits under section 180(1)(a) of Companies Act, 2013.

6. MEANS OF COMMUNICATION:

Your Company has promptly reported all material information, including declaration of financial results, press releases, etc., to the Stock Exchanges where the securities of your Company are listed. Such

information was, also, simultaneously displayed immediately on your Company's website i.e. www.talbrosexles.com. The quarterly and half-yearly Financial Results of the Company during the year 2014-15 were published in leading newspapers (English & Hindi), viz., Financial Express, Media Darshan and Hari Bhoomi.

The "Limited Review" Reports of the Financial Results for the quarters ended June 30, 2014, September 30, 2014 and December 31, 2014 were obtained from the Statutory Auditors of the Company and filed with the stock exchange(s).

To facilitate prompt correspondence with investors/shareholders relating to their queries and grievances, the Company has a dedicated Email-id, viz., cs@bnt-talbro.com.

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

7. GENERAL SHAREHOLDER INFORMATION:**(a) Forthcoming AGM: Date, time and venue**

The 29th Annual General Meeting of the Company will be held on Wednesday, 12th August, 2015 at 11:00 a.m. at Hotel Millenium, 67, Neelam Bata Road, N.I.T., Faridabad, Haryana – 121 001

(b) Financial Year

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

Financial Calendar (Tentative)

For 1st quarter ending 30th June, 2015	First week of August, 2015
For 2nd Quarter / half year ending 30th September, 2015	First week of November, 2015
For 3rd Quarter / nine months ending 31st December, 2015	First week of February, 2016
For 4th Quarter / Year ending 31st March, 2016	Last week of May, 2016
Annual General Meeting for the year ending 31st March, 2016	Last week of September, 2016

(c) Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from Wednesday, 05th August, 2015 to Wednesday, 12th August, 2015 (both days inclusive) for payment of dividend.

(d) Dividend Payment Date

Dividend will be paid within 30 days of the approval of same in Annual General Meeting.

(e) Listing on Stock Exchanges

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

1. Bombay Stock Exchange Limited (BSE)

The Company's equity shares are also listed on Delhi Stock Exchange Limited (DSE).

(f) Stock Code

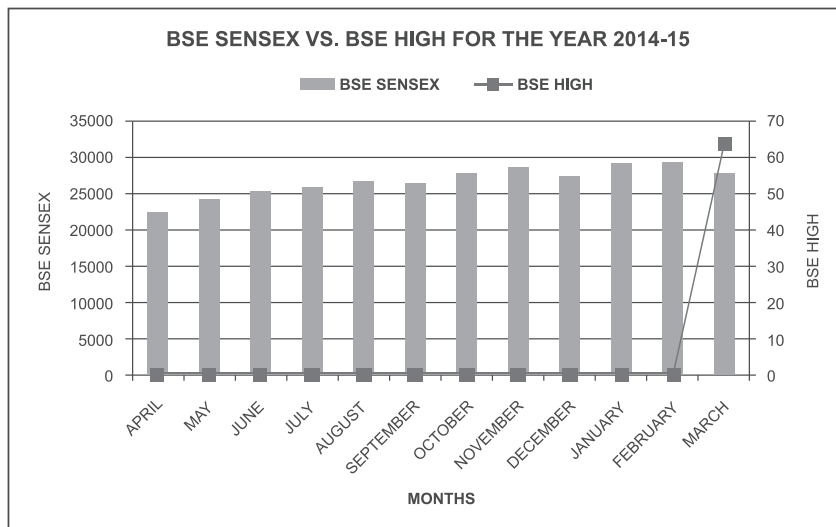
The Stock codes allotted to the Company are as follows:

Name of the Stock Exchange	Stock Code (Scrip Code)
Bombay Stock Exchange Limited	538987
Delhi Stock Exchange Limited	110135

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

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

Month(s)2014-15	BSE		Month End BSE Sensex
	High	Low	
April	N.A.	N.A.	22,417.80
May	N.A.	N.A.	24,217.24
June	N.A.	N.A.	25,413.78
July	N.A.	N.A.	25,894.97
August	N.A.	N.A.	26,638.11
September	N.A.	N.A.	26,630.51
October	N.A.	N.A.	27,865.83
November	N.A.	N.A.	28,693.99
December	N.A.	N.A.	27,499.42
January	N.A.	N.A.	29,182.95
February	N.A.	N.A.	29,361.50
March	63.77	49.99	27,957.49



(h) Annual Listing Fees

Annual Listing fees for the Financial Year 2015-16 has been paid to all the stock exchanges where the securities of company are listed.

(i) Registrar and Transfer Agents

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

(j) Share Transfer System

All physical share transfers are effected within

15 days of lodgement, subject to the documents being in order and complete in all respects. The Board has delegated the authority for approval of transfer, transmission etc to Stakeholders Relationship Committee comprising of One Non Executive Director and two Executive Directors. A summary of transfer/transmission of shares so approved by the Committee is placed before the Board.

(k) Distribution of Shareholding

(a) On the basis of Category

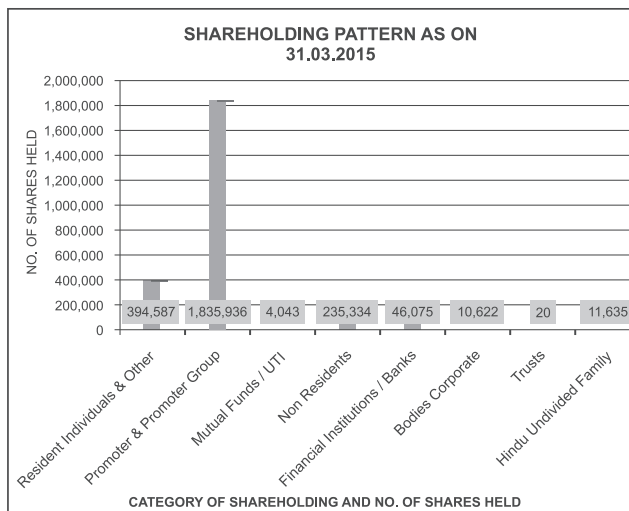
S. No.	Category of Shareholding	Number of shareholders	No. of shares held	% of shareholding
1	Resident Individuals & Other	5,795	3,94,587	15.54
2	Promoter & Promoter Group	8	18,35,936	72.33
3	Mutual Funds / UTI	2	4,043	0.16
4	Non Residents	22	2,35,334	9.27
5	Financial Institutions / Banks	8	46,075	1.82
6	Bodies Corporate	65	10,622	0.42
7	Trusts	1	20	0.00
8	Hindu Undivided Family	45	11,635	0.46
	TOTAL	5,946	25,38,252	100.00

(b) On the basis of Shares held

Size of Holdings	No. of Share holders	Percentage(%) to Total	No. of shares held	Percentage(%) to Total
Upto 5000	5,874	98.79	2,71,771	10.71
5001 to 10000	27	0.45	19,208	0.75
10001 to 20000	10	0.17	14,521	0.57
20001 to 30000	3	0.05	7,266	0.29
30001 to 40000	7	0.12	25,043	0.99
40001 to 50000	2	0.03	8,968	0.35
50001 to 100000	11	0.18	74,637	2.94
100001 and Above	12	0.21	21,16,838	83.40
TOTAL	5,946	100.00	25,38,252	100.00

(c) On the basis of ownership

S. No.	Category of Shareholder	Number of Shareholders	Total number of shares	% of holding
(A)	Promoter & Promoter Group			
1.	<i>Indian</i>			
(a)	Directors & their relatives	8	18,35,936	72.33
(B)	Public Shareholding			
1.	<i>Institutions</i>			
(a)	Mutual Funds / UTI	2	4,043	0.16
(b)	Financial Institutions / Banks	8	46,075	1.82
2.	<i>Non-institutions</i>			
(a)	Bodies Corporate	65	10,622	0.42
(b)	Individuals	5,795	3,94,587	15.54
(c)	Trusts	1	20	0.00
(d)	Non Resident Indians	22	2,35,334	9.27
(e)	Hindu Undivided Family	45	11,635	0.46
	TOTAL	5,946	25,38,252	100.00



(l) Dematerialization of shares and liquidity

As on 31st March, 2015, 92.63% of the total shareholding was held in dematerialized form as per details mentioned below:

Particulars	No. of holders	No. of Shares	% of Total Issued Capital
Physical System	3,637	1,87,178	7.37
NSDL	1,838	21,77,476	85.79
CDSL	471	1,73,598	6.84
Total	5,946	25,38,252	100.00

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

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

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

(n) Plant Locations

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

(b) Unit Locations:

- (i) Plot No. 35-38 & 57, Industrial Area,
Hathin, Distt. Palwal, Haryana
- (ii) Plot No. 77, Sector 68, Faridabad,
Haryana

(o) Address for Correspondence

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

DECLARATION

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

For and on behalf of the Board

Date : 27.06.2015
Place: Faridabad

Sd/-
Kartik Talwar
Chairman

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

We, Tarun Talwar, Managing Director and Kanwar Pal Pawar, Chief Financial Officer of the Company, Talbros Engineering Limited, to the best of our knowledge and belief, certify that:

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

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

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

Sd/-
Tarun Talwar
Managing Director

Sd/-
Kanwar Pal Pawar
Chief Financial Officer

Place: Faridabad
Date : 27.06.2015

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Talbros Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Talbros Engineering Limited for the year ended March 31, 2015 stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations give to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

Sd/-
Ruchi Jain
Partner
M. No. 099920

Place: Faridabad
Date : 27.06.2015

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of TALBROS ENGINEERING LIMITED (the Company), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant Accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and,

Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified in section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014;
- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms Section 164(2) of the Act.
- f) With respect to the other matters to be included in the auditors report in accordance with rule 11 of The Companies (audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanation given to us:
 - i) The company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Ruchi Jain

Place: Faridabad
Date : 16.05.2015

Partner
Membership No. 099920

ANNEXURE TO THE AUDITORS' REPORT

(As referred in paragraph 1 of Report on other legal and regulatory requirements of our report to the members of TALBROS ENGINEERING LIMITED on the accounts for the year ended 31st March, 2015)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the Company has a regular program of physical verification of its fixed assets by which fixed assets 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 the program, fixed assets were verified during the year and no material

discrepancies were noticed on such verification.

- ii. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. As per information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 1956. Accordingly sub-clauses (a) and (b) of para 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system of the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi. We have broadly reviewed the cost records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rule 2011 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost Records have been maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.

- vii. (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty and Cess and any other material statutory dues applicable to it though there has been a slight delay in few cases. According to the information and explanations given to us no undisputed amounts payable in respect of statutory dues were in arrear as at 31st March 2015 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (c) According to the information and explanation given to us, no amount is required to be transferred to Investor Education and Protection Fund in accordance to the relevant provisions of the companies Act, 2013 and rules made there under.
- viii. The Company has no accumulated losses as at 31st March, 2015 and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its Bankers. The Company did not have any outstanding debentures and loans from any financial institution during the year.
- x. As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. To the best of our information and knowledge and as per records verified by us, the Company has applied its term loans for the purpose for which the loans were obtained.
- xii. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **RAKESH RAJ & ASSOCIATES**

Chartered Accountants
Firm Regn No.005145N

Ruchi Jain

Partner

Membership No. 099920

Place: Faridabad
Date : 16.05.2015

TALBROS ENGINEERING LIMITED



BALANCE SHEET AS AT 31ST MARCH, 2015

(All Amount in ₹, unless otherwise stated)

	Notes	As at 31st March, 2015		As at 31st March, 2014	
		₹	₹	₹	₹
EQUITY AND LIABILITIES:					
Shareholders' Funds					
Equity Share Capital	3	25,382,520		25,382,520	
Reserves and Surplus	4	300,181,441	325,563,961	275,575,297	300,957,817
Non-Current Liabilities					
Long Term Borrowings	5	44,088,625		41,109,088	
Deferred Tax Liabilities (Net)	6	16,827,942		21,113,523	
Long Term Provisions	7	2,162,164	63,078,731	2,064,178	64,286,789
Current Liabilities					
Short Term Borrowings	8	67,741,774		93,081,863	
Trade Payables	9	87,926,251		67,270,724	
Other Current Liabilities	10	66,639,808		113,262,357	
Short Term Provisions	11	44,480,700	266,788,533	30,518,353	304,133,297
TOTAL			655,431,225		669,377,903
ASSETS :					
Non-Current Assets					
Fixed Assets					
Tangible Assets	12.1	213,466,502		223,601,058	
Capital Work in Progress	12.2	24,294,640		2,024,128	
Non Current Investments	13	860,000		860,000	
Long-Term Loans and Advances	14	47,210,070	285,831,212	30,774,304	257,259,490
Current Assets					
Inventories	15	127,193,112		124,347,998	
Trade Receivables	16	152,125,018		152,708,195	
Cash and Bank Balances	17	10,776,012		60,009,236	
Short Term Loans and Advances	18	77,422,112		73,316,277	
Other Current Assets	19	2,083,759	369,600,013	1,736,707	412,118,413
TOTAL			655,431,225		669,377,903

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

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

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

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Sd/-
Tarun Talwar
Managing Director
DIN : 02276634
R/o. W-80, G.K.-II, N. Delhi-48

Sd/-
Sanjay Sharma
Executive Director
DIN : 06394774
R/o. H.No. 1002, Sector-8, Faridabad

Sd/-
Ankush Jindal
Company Secretary
M.No. : A26017
R/o. H.No. 37, Sector-55, Faridabad

Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o. MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

Place : Faridabad
Date : 16.05.2015

TALBROS ENGINEERING LIMITED



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(All Amount in ₹, unless otherwise stated)

	Notes	Year Ended 31st March, 2015		Year Ended 31st March, 2014	
		₹	₹	₹	₹
INCOME					
Revenue From Operations (Gross)	20	1,382,910,005		1,294,511,813	
Less: Excise Duty		<u>120,916,431</u>	1,261,993,574	<u>121,236,021</u>	1,173,275,792
Other Income	21		<u>26,038,427</u>		<u>29,664,787</u>
Total Revenue			<u><u>1,288,032,001</u></u>		<u><u>1,202,940,579</u></u>
EXPENSES					
Cost of Raw Material Consumed	22		<u>626,377,009</u>		<u>589,178,993</u>
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	23		<u>(15,252,800)</u>		<u>1,582,637</u>
Employee Benefits Expenses	24		<u>108,218,385</u>		<u>106,288,741</u>
Finance Costs	25		<u>24,532,734</u>		<u>36,071,280</u>
Depreciation and Amortization Expense	26		<u>35,890,255</u>		<u>28,649,656</u>
Other Expenses	27		<u>442,271,472</u>		<u>382,279,226</u>
Total Expenses			<u><u>1,222,037,056</u></u>		<u><u>1,144,050,534</u></u>
Profit before tax			<u>65,994,945</u>		<u>58,890,045</u>
Tax Expenses :					
Current Tax		<u>24,460,000</u>		<u>19,200,000</u>	
Deferred Tax		<u>(4,285,581)</u>		<u>581,591</u>	
Wealth Tax		<u>46,696</u>		<u>36,508</u>	
Taxes For Earlier Years		<u>286,404</u>	<u>20,507,519</u>	<u>143,379</u>	<u>19,961,478</u>
Profit for the Year			<u><u>45,487,426</u></u>		<u><u>38,928,567</u></u>
Earnings per Equity Share (Face Value of ₹ 10/-)					
Basic and Diluted Restated Earnings Per Share			<u>17.92</u>		<u>18.03</u>

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

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

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

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Sd/-
Tarun Talwar
Managing Director
DIN : 02276634
R/o. W-80, G.K.-II, N. Delhi-48

Sd/-
Sanjay Sharma
Executive Director
DIN : 06394774
R/o. H.No. 1002, Sector-8, Faridabad

Sd/-
Ankush Jindal
Company Secretary
M.No. : A26017
R/o. H.No. 37, Sector-55, Faridabad

Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o. MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

Place : Faridabad
Date : 16.05.2015

TALBROS ENGINEERING LIMITED



STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31ST MARCH, 2015

	(All Amount in ₹, unless otherwise stated)	
	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
Net Profit before taxation, and extraordinary item	65,994,945	58,890,045
Adjustment for:		
Depreciation	35,890,255	28,649,656
Preliminary Expenses W/off	-	292,125
Interest Paid	24,532,734	36,071,280
Loss/(Profit) on Sale of Fixed Assets	61,795	684,009
Interest Received	(1,027,782)	(5,84,052)
Operating Profit before Working Capital Changes	125,451,947	124,003,063
Adjustments for:-		
Trade and Other Receivables	583,177	37,398,297
Inventories	(2,845,114)	(2,912,189)
Other Current Assets	(4,452,888)	1,544,877
Trade Payables	20,655,527	(27,607,542)
Other Current Liabilities	(101,209,650)	(44,632,276)
Increase in Deferred Tax Liability	-	581,591
CASH GENERATED FROM OPERATIONS:	38,182,999	88,375,821
Interest paid	(24,532,734)	(36,071,280)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	13,650,265	52,304,541
Interest Received	1,027,782	584,052
Purchase of Fixed Assets	(50,942,141)	(31,923,168)
Transfer to accumulated Depreciation	-	-
Sale of Fixed Assets	389,113	1,246,004
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(49,525,246)	(30,093,111)
Proceeds from /(Repayment) of long Term Borrowings	3,077,523	(44,987,955)
Proceeds from Share Capital	-	11,281,120
Proceeds from Security Premium	-	36,269,013
Proceeds from /(Repayment) of long Term Loans & Advances	(16,435,766)	(5,093,402)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(13,358,243)	(2,531,224)
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	(49,233,224)	19,680,207
Cash/Cash Equivalents as at 1st April (Opening Balance)	60,009,236	40,329,030
Cash/Cash Equivalents as at 31st March (Closing Balance)	10,776,012	60,009,237

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

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

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Sd/-
Tarun Talwar
Managing Director
DIN : 02276634
R/o. W-80, G.K.-II, N. Delhi-48

Sd/-
Sanjay Sharma
Executive Director
DIN : 06394774
R/o. H.No. 1002, Sector-8, Faridabad

Place : Faridabad
Date : 16.05.2015

Sd/-
Ankush Jindal
Company Secretary
M.No. : A26017
R/o. H.No. 37, Sector-55, Faridabad

Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o. MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. CORPORATE INFORMATION**

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

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 BASIS FOR ACCOUNTING**

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

2.2 USE OF ESTIMATES

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

2.3 REVENUE RECOGNITION

- a) The company recognises revenues on the sale of products, net of discounts and sales incentives, at the time of dispatch, which is when risks and rewards of ownership pass to the customer. Sale of product is presented gross of excise duty where applicable, and net of other indirect taxes.
- b) Export benefits/incentives are recognized in the profits & loss accounts, when the right to receive credit as per terms of the scheme is established in respect of export goods.
- c) Interest income is recognised on accrual basis determined by the amount outstanding and the rate applicable and when there is no significant uncertainty as to measurability or collectability exists

2.4 INVENTORIES

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

- a) Raw Materials, Stores, Spares & Packing Material are valued at lower of cost or net realisable value. Costs of inventories are determined on First in First out ('FIFO') basis in the ordinary course of business.
- b) Work-in-Progress and Finished Goods are valued at cost. Cost includes variable and fixed overheads allocated to work in progress and finished goods.

2.5 TANGIBLE ASSETS**Fixed Assets**

Fixed assets are stated at cost of acquisition or construction and amount added on revaluation less accumulated depreciation, amortisation. Cost includes purchase price, taxes and duties, labour cost and other direct costs incurred upto the date the asset is ready for its intended use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Capital Works-in-Progress

Capital Works-in-Progress is carried at cost, comprising direct cost, related incidental expenses and interest on borrowings to the extent attributed to them.

2.6 INTANGIBLE ASSETS

Intangible assets will be recognized as per the criteria specified in Accounting Standard 26 "Intangible Assets" and recorded at the consideration paid for acquisition, whenever acquired.

2.7 DEPRECIATION ON FIXED ASSETS

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

2.8 PROVISIONS AND CONTINGENCIES

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

2.9 RESEARCH AND DEVELOPMENT EXPENSE

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

2.10 FOREIGN CURRENCY TRANSACTIONS

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

2.11 INVESTMENTS

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

2.12 EMPLOYEE BENEFITS

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

a) Gratuity

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

b) Leave encashment

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

2.13 BORROWING COSTS

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

2.14 LEASES

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

2.15 CASH FLOW STATEMENT

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

2.16 TAXATION

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

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

2.17 IMPAIRMENT OF ASSETS

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

2.18 SHARE ISSUE EXPENSES

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

2.19 EARNING PER SHARE

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

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

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
3. EQUITY SHARE CAPITAL		
3.1 AUTHORISED SHARE CAPITAL		
30,00,000 Equity Shares of ₹ 10/- each	30,000,000	30,000,000
3.2 ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL		
25,38,252 (P.Y. 25,38,252) Equity Shares of ₹ 10/- each fully paid up	25,382,520	25,382,520
Total Issued, Subscribed and fully paid up capital	25,382,520	25,382,520
3.3 RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD	No. of Shares as at 31st March, 2015	No. of Shares as at 31st March, 2014
Equity shares		
At the beginning of the year	2,538,252	1,410,140
Add: Right Shares issued during the year	-	1,128,112
Add: Bonus shares issued during the year	-	-
Less: Shares forfeited, etc	-	-
Outstanding at the end of the year	2,538,252	2,538,252

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
3.4 TERMS/ RIGHTS AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having par value of INR ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31st March 2015, the amount of dividend per share recognised as distribution to equity holders was INR 6.00 (P.Y. INR 3.00). The total dividend appropriation for the year ended 31st March 2015 amounts to INR 1,52,29,512/- (P.Y. INR 7,614,756/-) excluding Dividend Distribution Tax of INR 31,86,750/- (P.Y. INR 1,294,128/-)

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

	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	%	No. of Shares	%
Rajesh Talwar	595,249	23.45	595,141	23.45
Gita Talwar	508,877	20.05	508,877	20.05
Rakesh Talwar	296,317	11.67	296,317	11.67
Naini Talwar	147,330	5.80	147,330	5.80
Sartaj K Sahni	232,502	9.16	232,502	9.16
Rakesh Talwar (HUF)	136,207	5.37	136,207	5.37

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

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
4. RESERVES AND SURPLUS		
4.1 CAPITAL RESERVE		
As per last balance sheet	17,487,403	17,487,403
Add/less: adjustment during the year	-	-
Closing balance	17,487,403	17,487,403
4.2 SECURITIES PREMIUM ACCOUNT		
As per last balance sheet	43,319,713	7,050,700
Add: Security premium raised during the year	-	38,355,808
Less: Right Issue expenses W/o	-	2,086,795
Closing balance	43,319,713	43,319,713
4.3 REVALUATION RESERVE		
Revaluation Reserve	1,029,662	1,059,511
Less: Transferred to Profit & Loss A/c	(29,849)	(29,849)
Closing balance	999,813	1,029,662
4.4 GENERAL RESERVE		
As per last balance sheet	25,260,000	21,360,000
Add/less: adjustment during the year	4,500,000	3,900,000
Less: Transferred to accumulated depreciation	2,435,173	-
Closing balance	27,324,827	25,260,000
4.5 OTHER RESERVES : CAPITAL SUBSIDY		
As per last balance sheet	7,629,905	7,629,905
Add/less: adjustment during the year	-	-
Closing balance	7,629,905	7,629,905

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
4.6 SURPLUS / (DEFICIT) IN THE STATEMENT OF PROFIT AND LOSS		
As per last balance sheet	180,848,616	154,728,933
Profit for the year	45,487,426	38,928,567
Less: Appropriations		
Transfer to General reserve	4,500,000	3,900,000
Dividend proposed on equity shares	15,229,512	7,614,756
Dividend distribution tax on proposed dividend	3,186,750	1,294,128
Closing balance	203,419,780	180,848,616
TOTAL	300,181,441	275,575,297
5. LONG TERM BORROWINGS		
SECURED BORROWINGS		
Term loans		
From banks	11,108,195	23,654,656
From others	1,095,430	1,354,432
Total secured long term borrowings (I)	12,203,625	25,009,088
UNSECURED BORROWINGS		
Deposits	-	-
Loans and advances from related parties	31,885,000	16,100,000
Total unsecured long term borrowings (II)	31,885,000	16,100,000
Total Long Term Borrowings (I+II)	44,088,625	41,109,088

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

Particulars of loan /security/ guarantee	Terms of Repayment	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
1 TERM LOANS FROM BANKS			
Term Loans from Bank of India are secured by First charge by way of mortgage of the Company's immovable properties, both present and future, and further secured by hypothecation of movables both present and future, and subject to prior charges in favour of company's bankers on inventories and other moveable as may be agreed/permitted by lenders for securing borrowings for working capital requirements. The Term Loans are further secured by personal guarantees of a Director & President of the company. The rate of Interest is at the rate of 14.00% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	Closing Balance INR 0 Current Maturity INR 0 Non-Current Maturity INR 0	Closing Balance INR 34,454,305 Current Maturity INR 13,500,000 Non-Current Maturity INR 20,954,305

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars of loan /security/ guarantee	Terms of Repayment	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
2. Term Loans from IndusInd Bank Limited are secured by First charge by way of mortgage of the Company's immovable properties, both present and future, and further secured by hypothecation of movables both present and future, and subject to prior charges in favour of company's bankers on inventories and other moveable as may be agreed/permitted by lenders for securing borrowings for working capital requirements. The Term Loans are further secured by personal guarantees of a Director & President of the company. The rate of Interest is at the rate of 12.5% p.a.	Quarterly payment of equated quarterly Installments beginning from the Year of taking the loan	Closing Balance INR 20,925,000 Current Maturity INR 11,925,000 Non-Current Maturity INR 9,000,000	Closing Balance INR 0 Current Maturity INR 0 Non-Current Maturity INR 0
3. VEHICLE LOANS FROM BANKS Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08% p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance INR 3,815,636 Current Maturity INR 1,707,441 Non-Current Maturity INR 2,108,195	Closing Balance INR 2,601,031 Current Maturity INR 891,429 Non-Current Maturity INR 1,709,602
4. VEHICLE LOANS FROM NBFC'S Vehicles Loans are secured against Hypothecation of Vehicles. The rate of Interest is at the rate of 8.50% p.a to 12.08% p.a.	Monthly payment of equated Monthly Installments beginning from the Year of taking the loan	Closing Balance INR 2,345,181 Current Maturity INR 1,249,751 Non-Current Maturity INR 1,095,430	Closing Balance INR 3,699,613 Current Maturity INR 1,354,432 Non-Current Maturity INR 2,345,181
		As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
6. DEFERRED TAX LIABILITY AS PER AS-22 Fixed Assets Disallowance u/s 43 B Deferred Tax Liability (Net)		17,703,291 (875,349) <u>16,827,942</u>	21,902,724 (789,201) <u>21,113,523</u>
7. LONG TERM PROVISION Annual Leave Payable Total Long Term Provision		2,162,164 <u>2,162,164</u>	2,064,178 <u>2,064,178</u>
8. SHORT TERM BORROWINGS SECURED Working Capital Loans From Banks * Bank of India (Cash Credit) IndusInd Bank Ltd (Cash Credit) Total Short Term Borrowings		- 67,741,774 <u>67,741,774</u>	93,081,863 - <u>93,081,863</u>

*The working capital facilities from banks are secured by way of hypothecation of stock in trade and book debts and further secured by way of a second charge on immovable properties of the company. The facilities of IndusInd Bank Ltd (P.Y. Bank of India) are further secured by personal guarantees of a Director & President of the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
9. TRADE PAYABLES		
Dues to MSME *	-	-
Dues of other than MSME	<u>87,926,251</u>	<u>67,270,724</u>
Total Trade Payables	<u><u>87,926,251</u></u>	<u><u>67,270,724</u></u>
* The above information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further no interest has been paid during the year and payable as on 31st March 2015 as well as 31st March 2014 to such parties.		
10. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt Borrowings	14,882,192	64,660,410
Interest accrued and due on Borrowings	-	304,006
Interest accrued but not due on borrowings	36,750	28,804
Advance from Customers	2,399,718	1,136,161
Creditors for Expenses	28,328,522	29,188,902
Creditors for Capital Expenditure	638,262	225,554
Unpaid Dividends	564,117	353,298
Other Liabilities:-		
Accrued Salary & Benefits	3,545,603	3,797,274
Statutory Dues payable	1,478,674	1,720,899
TDS payable	1,446,180	1,272,170
Security Job Contractors	2,951,121	3,141,122
Other payables	10,368,669	7,433,757
Total Current Liabilities	<u><u>66,639,808</u></u>	<u><u>113,262,357</u></u>
11. SHORT TERM PROVISIONS		
Provision for Income Tax	24,460,000	19,200,000
Proposed Equity Dividend	15,229,512	7,614,756
Provision for Wealth Tax	46,696	36,508
Provision for Tax on Proposed Equity Dividend	3,186,750	1,294,128
Provision for Employee Benefits	1,557,742	2,372,961
Total Short Term Provisions	<u><u>44,480,700</u></u>	<u><u>30,518,353</u></u>
12. FIXED ASSETS		
Tangible assets	213,466,502	223,601,058
Capital work in progress	24,294,640	2,024,128
Total Fixed Assets	<u><u>237,761,142</u></u>	<u><u>225,625,186</u></u>

12.1 TANGIBLE ASSETS AS AT 31.03.2015

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01-04-2014	Additions during the year	Sale/Adjustment during the year	As At 31.03.2015	Upto 01.04.2013	For the period ended as on 31.03.2015	Adjustment during the year	Total upto 31.03.2015
	₹	₹	₹	₹	₹	₹	₹	₹
LAND	5,635,342	-	-	5,635,342	-	-	-	5,635,342
BUILDING	22,946,582	-	-	22,946,582	7,767,544	697,148	-	14,481,890
PLANT & MACHINERY	367,034,931	24,794,737	2,024,820	389,804,848	188,003,583	29,312,762	1,573,912	174,062,415
VEHICLES	20,643,837	3,050,492	-	23,694,329	6,627,881	2,946,669	-	14,119,779
FURNITURE & FIXTURES	3,766,805	-	-	3,766,805	1,622,097	628,200	-	1,516,508
OFFICE EQUIPMENT	7,333,231	336,774	-	7,670,005	2,691,205	3,098,572	-	1,880,228
ELECTRIC INSTALLATION	5,552,996	219,676	-	5,772,672	3,394,407	1,135,150	-	1,243,115
TUBEWELL	271,708	80,000	-	351,708	84,657	180,878	-	86,173
COMPUTER	3,713,431	189,950	-	3,903,381	3,106,431	355,898	-	441,052
TOTAL	436,898,863	28,671,629	2,024,820	463,545,672	213,297,805	38,355,277	1,573,912	213,466,502
PREVIOUS YEAR	411,957,214	29,899,040	4,957,391	436,898,863	187,645,677	28,679,505	3,027,376	213,297,806

12.2 : CAPITAL WORK IN PROGRESS

CWIP - BUILDING	2,024,128	786,893	-	2,811,021	-	-	-	2,811,021
CWIP - PLANT & MACHINERY	-	21,483,619	-	21,483,619	-	-	-	21,483,619
TOTAL	2,024,128	22,270,512	-	24,294,640	-	-	-	24,294,640
PREVIOUS YEAR	-	4,728,483	2,704,355	2,024,128	-	-	-	2,024,128

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
13. NON-CURRENT INVESTMENTS		
Unquoted Non trade equity instruments (At Cost)		
Investments in equity instruments	860,000	860,000
Talbro's Cork Products Private Limited (33000 fully paid up Equity Shares of ₹ 10/- each)		
Total Non-Current Investments	860,000	860,000
14. LONG TERMS LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	42,581,796	26,682,408
Security Deposits	4,628,274	4,091,896
Total Long Term Loans and Advances	47,210,070	30,774,304
15. INVENTORIES		
(Taken, Valued and Certified by the Management)		
Raw Materials	19,931,264	29,670,012
Work-in-Progress	99,763,718	84,147,626
Finished Goods	1,151,841	122,469
Stores, Spares and Loose Tools	5,272,194	7,776,466
Scrap	1,014,761	2,407,425
Others (Packing Materials)	59,334	224,000
Total Inventories	127,193,112	124,347,998
16. TRADE RECEIVABLES		
Unsecured, Considered Good		
Outstanding for a period exceeding 6 months from the date they are due for payment	3,519,040	3,661,288
Others	148,605,978	149,046,907
Total Trade Receivables	152,125,018	152,708,195
17. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in hand	163,115	32,638
Balances with banks		
In current accounts	2,932,512	53,133,226
In dividend accounts	564,117	353,298
Other Bank Balances		
Fixed Deposit with Bank (Current Maturity)	6,478,311	5,823,724
Margin Money with Bank	637,957	666,350
Total Cash and Bank Balances	10,776,012	60,009,236

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
18. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance Recoverable in Cash or in Kind	490,635	1,626,920
Loans to Employees	645,261	458,453
Advance to Suppliers	2,805,835	9,130,642
Balances with Statutory/Government Authorities:-		
Excise Duty Balance	20,378,494	20,917,738
Income Tax Advance	3,849,167	3,934,113
Sales Tax Advance	26,792,853	15,654,370
Other Short Term Loans and Advances:-		
Advance Income Tax	21,579,694	20,757,914
Prepaid Expenses	880,173	836,127
Total Short Term Loans and Advances	77,422,112	73,316,277
19. OTHER CURRENT ASSETS		
Duty Drawback Receivable	2,083,759	1,736,707
	2,083,759	1,736,707
	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
20. REVENUE FROM OPERATIONS		
Sale of Products:-		
Domestic Sales	1,079,875,398	1,083,439,819
Export Sales	287,032,071	181,396,671
	1,366,907,469	1,264,836,490
Other Operational Revenues:-		
Scrap Sales	16,002,536	29,675,323
	16,002,536	29,675,323
Total Revenue From Operations	1,382,910,005	1,294,511,813
21. OTHER INCOME		
Interest Income	1,027,782	584,052
Discount Received	17,482,876	24,145,026
Duty Drawback Received	5,334,281	3,432,779
Foreign Exchange Fluctuation	1,920,668	312,941
Liabilities written back to the extent not required	269,220	1,002,135
Other non-operating income (Misc. Income)	3,600	187,853
Total Other Income	26,038,427	29,664,787

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
22. COST OF RAW MATERIAL CONSUMED		
Opening Stock	29,670,012	30,414,998
Purchases	615,144,847	587,329,116
Cartage Inward	1,493,414	1,104,890
	<u>646,308,273</u>	<u>618,849,004</u>
Closing Stock	(19,931,264)	(29,670,012)
Total Cost of Raw Material Consumed	<u>626,377,009</u>	<u>589,178,993</u>
23. CHANGES IN INVENTORIES OF FINISHED GOOD, W.I.P. AND STOCK IN TRADE		
CLOSING STOCK		
Finished Goods	1,151,841	122,469
Work-in-progress	99,763,718	84,147,626
Scrap	1,014,761	2,407,425
	<u>101,930,320</u>	<u>86,677,520</u>
OPENING STOCK		
Finished Goods	122,469	172,448
Work-in-progress	84,147,626	85,411,457
Scrap	2,407,425	2,676,252
	<u>86,677,520</u>	<u>88,260,157</u>
(Increase) / Decrease In Stock	<u>(15,252,800)</u>	<u>1,582,637</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	82,389,773	80,663,145
Contribution to Provident and other Funds	3,954,762	4,065,956
Director's Remuneration	4,982,144	4,548,384
Gratuity	778,628	1,289,725
Staff Welfare Expenses	16,113,078	15,721,531
Total Employee Benefits Expense	<u>108,218,385</u>	<u>106,288,741</u>
25. FINANCE COST		
Interest Expense	16,353,327	25,002,764
Other Borrowing Cost	8,179,407	11,068,516
Total Finance Cost	<u>24,532,734</u>	<u>36,071,280</u>
26. DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	35,920,104	28,679,505
Amount transferred from Revaluation Reserve	(29,849)	(29,849)
Total Depreciation and Amortisation	<u>35,890,255</u>	<u>28,649,656</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
27. OTHER EXPENSES		
Manufacturing Expense		
Stores, Spares and Tools Consumed	141,634,517	105,471,278
Power & Fuel	136,705,992	122,739,907
Processing Charges	26,641,206	30,045,395
Repairs & Maintenance :		
Buildings	5,275,557	4,092,646
Plant & Machinery	30,601,075	27,433,048
Other	3,602,935	3,498,070
Total Manufacturing Expense (I)	344,461,282	293,280,345
Administrative Expenses		
Rent, Rates and Taxes	1,364,194	591,614
Insurance	1,543,599	1,095,007
Travelling Expenses	2,818,179	5,705,547
Commission on Sale	1,179,872	1,274,702
Discounts	3,268,471	2,023,641
Packing Expenses	32,805,800	30,184,475
Advertisement & Sales Promotion	623,745	1,557,608
Printing & Stationary	1,342,466	1,217,405
Postage & Telegram	433,023	347,910
Telephone Expenses	834,087	851,604
Legal & Professional Charges	5,132,491	2,636,075
Membership & Subscription	105,725	104,040
Charity & Donation	81,400	25,700
Corporate Social Responsibility Expense	1,200,000	-
Security Services	3,255,542	2,920,651
Miscellaneous Expenses	453,894	398,416
Loss on Sale of Fixed Assets (Net)	61,795	684,009
Conveyance Expenses	686,815	746,911
Warranty Claim Paid	61,119	57,537
Vehicles Running & Maintenance	1,807,723	1,763,206
Freight Outward	37,797,830	33,537,068
Bad Debts written-off	517,420	843,255
Auditors Remuneration :-		
Audit Fees	350,000	350,000
Limited Review	75,000	75,000
Taxation Matter	-	-
Director's Sitting Fee	10,000	7,500
Total Administrative Expense (II)	97,810,190	88,998,881
Total Other Expenses (I+II)	442,271,472	382,279,226

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
28. SEGMENT REPORTING

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

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
29. FOREIGN CURRENCY TRANSACTIONS:		
I. CIF Value of Imports :		
a) Plant & Machinery	12,012,300	-
II. Expenditure in Foreign currency		
a) Commission on Export Sales	1,179,872	1,222,024
b) Foreign Travel (Foreign Exchange Utilized)	711,792	2,978,662
c) Repair & Maint. (Plant & Mach.)	84,883	789,989
d) Foreign Exhibition	-	755,128
	<u>1,976,547</u>	<u>5,745,803</u>
III. Earnings in Foreign Exchange		
*Value of Export on F.O.B. basis	282,598,197	181,446,378

30. DIVIDEND PAID IN FOREIGN CURRENCY

Details of amount remitted during the year in foreign currency on account of dividend

No. of Non-Resident shareholders	Total no. of shares held by them	Year of Dividend	Amount remitted (₹)
22	2,35,334	2013-14	7,06,002

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
31. DEFINED BENEFIT PLANS AS PER AS-15		
31.1 GRATUITY		
Assumptions		
Discount Rate	8%	8%
Salary Escalation	6%	6%

Employee Benefits
Defined Contribution Plans :-

The Company has recognised INR 7,78,628 (P.Y. INR 1,289,725) as expense in Statement of Profit & Loss.

Defined Benefit Plans :-

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

The following tables summarize the components of net benefit expense recognized in the Statement of Profit & Loss, the funded status and amounts recognized in the balance sheet for the respective plans (as per Actuarial Valuation as on 31st March 2015).

Table showing changes in present value of obligation

Present Value of Obligation as at beginning of Year	13,337,417	13,465,033
Interest Cost	1,066,993	1,077,203
Current Service Cost	701,111	717,040
Benefit Paid	(2,434,589)	(1,845,781)
Actuarial (Gain) / Loss on obligation	47,785	(76,078)
Present Value of Obligation as at end of Year	12,718,717	13,337,417

Table Showing changes in the Fair Value of Plan Assets

Fair Value of Plan Assets at Beginning of Year	12,764,732	12,500,912
Expected Return on Plan Assets	1,107,165	1,087,066
Contributions	1,243,434	1,022,535
Benefit Paid	(2,434,589)	(1,845,781)
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Present Value of Plan Assets at end of Year	12,680,742	12,764,732

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
Table Showing Fair Value of Plan Assets		
Fair Value of Plan Assets at Beginning of Year	12,764,732	12,500,912
Actual Return on Plan Assets	1,107,165	1,087,066
Contributions	1,243,434	1,022,535
Benefit Paid	(2,434,589)	(1,845,781)
Fair Value of Plan Assets at end of Year	12,680,742	12,764,732
Funded Status	(37,975)	(572,685)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
Actuarial Gain / Loss recognized		
Actuarial Gain / Loss on obligation	(47,785)	76,078
Actuarial Gain / Loss for the year - plan assets	NIL	NIL
Total Gain / Loss for the year	47,785	(76,078)
Actuarial Gain / Loss recognized in the year	47,785	(76,078)
Net Assets / (Liability) Recognized in Balance Sheet		
Present value of obligations as at the end of year	12,718,717	13,337,417
Fair value of plan assets as at the end of the year	12,680,742	12,764,732
Fund status	(37,975)	(572,685)
Net Assets / (Liability) Recognized in Balance Sheet	(37,975)	(572,685)
Expense Recognized in statement of profit and loss		
Current Service Cost	701,111	717,040
Interest Cost	1,066,993	1,077,203
Expected return on plan assets	(1,107,165)	(1,087,066)
Net Actuarial (Gain) / Loss recognized in the year	47,785	(76,078)
Expenses recognized in statement of profit and loss	708,724	631,099

31.2 LEAVE ENCASHMENT

Following Basis were adopted for the computation of the said liabilities

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

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

Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2015	Numbers of Employees	Actuarial Value of Leave Encashment for 31.03.2015
192	2,162,164	208	2,196,379

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
32. CONTINGENT LIABILITIES AND COMMITMENTS		
CONTINGENT LIABILITIES		
a) Guarantees	1,204,500	1,272,500
b) Bills discounted from Kotak Mahindra Bank Ltd with recourse not due for payment	34,201,018	35,472,790
c) Estimated amount of contracts remaining to be executed on capital account and not provided	-	-
Total value of Contracts	148,234,575	56,350,833
Contracts Remaining to be executed	105,652,779	29,668,425

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015
33. RELATED PARTY DISCLOSURE AS PER (AS-18) ISSUED BY ICAI:-
33.1 KEY MANAGERIAL PERSONNEL AND THEIR RELATIVES

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
MR. RAJESH TALWAR	SALARY	3,000,000	3,000,000	(172,476)	(152,505)
	FD RECEIVED	-	2,900,000	-	(3,600,000)
	INTT. ON FD	379,887	303,241	-	-
	FD REPAID	3,600,000	-	-	-
MR. TARUN TALWAR	SALARY	3,230,000	2,880,000	(199,452)	(206,687)
	FD CONVERTED	-	1,053,123	-	-
MR. TARUN TALWAR (HUF)	FD RECEIVED	-	435,000	-	(467,506)
	UNSECURED LOANS RECD.	230,000	-	(230,000)	-
	INTT. ON LOAN	16,943	-	-	-
	FD REPAID	467,506	-	-	-
	INTT. ON FD	59,538	36,118	-	-
MR. SANJAY SHARMA	SALARY	879,876	837,996	(50,020)	(48,515)
MR. VIJAY KUMAR SHARMA	SALARY	872,268	830,368	(60,240)	(40,131)
MR. ANKUSH JINDAL	SALARY	420,184	-	(37,734)	-
MR. KANWAR PAL PAWAR	SALARY	308,675	-	(23,489)	-
MS. GITA TALWAR	UNSECURED LOANS RECD.	7,200,000	-	(23,300,000)	(16,100,000)
	FD RECEIVED	-	3,000,000	-	(15,845,000)
	INTT ON FD	4,239,741	4,384,295	-	-
	FD REPAID	15,845,000	-	-	-
	INTT. ON LOAN	455,750	-	-	-
MS. SAMEENA TALWAR	FD RECEIVED	-	655,000	(75,96,904)	(7,596,904)
	UNSECURED LOANS RECD.	8,355,000	-	(8,355,000)	-
	INTT. ON FD	527,232	911,132	-	-
	FD REPAID	7,596,904	-	-	-
	INTT. ON LOAN	278,318	-	-	-
MS. SHWETA TALWAR	FD RECEIVED/ CONVERTED	-	1,053,123	-	(55,955)
	FD REPAID	55,955.00	-	-	-
	INTT. ON FD	7,138.00	69,439	-	-

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

Name of Person	Nature of Transaction	Transaction Amount		Receivables / (Payables)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
J.T.Engineering Private Limited.	Job Work Charges Paid	3,613,650	3,723,152	(1,022,387)	(1,469,621)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 ₹	For the Year Ended 31st March, 2014 ₹
34. EARNING PER SHARE		
Earning per Share computed in accordance with Accounting Standard (AS-20)		
a) Numerator		
Net profit after taxation as per Statement of Profit and Loss	45,487,426	38,928,567
b) Denominator		
No. of Shares at the beginning of the year	2,538,252	1,410,140
Total Equity shares outstanding at the end of the year	2,538,252	2,538,252
Weighted Average no of Equity shares for the year	2,538,252	2,159,432
Weighted Average of Diluted Equity shares for the year	2,538,252	2,159,432
c) Face value per Share (₹)	10	10
d) Earning Per Share		
Basic and Diluted (₹) (Restated)	17.92	18.03

35. LICENSED AND INSTALLED CAPACITY

	Axles Shafts (Nos.) N.A.	Axles Shafts (Nos.) N.A.
Licensed Capacity		
Installed Capacity Per Annum (As certified by the Management and relied upon by the Auditors being a technical matter)	1,300,000	1,300,000
Actual Production	1,088,054	1,048,320

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

TURNOVER		For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
	Units	Quantity	Value	Quantity	Value
Finished Good					
Axle Shafts	Nos.	1,087,100	1,366,907,469	1,048,387	1,264,836,490
Scrap and Others	Kgs	1,303,520	16,002,536	1,395,415	29,675,323
Total			1,382,910,005		1,294,511,813
STOCKS OF GOODS					
Opening Stock:					
Axle Shafts	Nos.	174	122,469	241	172,448
Closing Stock:					
Axle Shafts	Nos.	1,128	1,151,841	174	122,469

37. CONSUMPTION ANALYSIS
37.1 CONSUMPTION OF RAW MATERIAL AND COMPONENTS:-

Units(kgs.)		For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
		Quantity	Value	Quantity	Value
Metallic Rods		13,827,295	626,377,009	12,518,702	589,178,993
Indigenous		100%	626,377,009	100%	589,178,993
Total		100%	626,377,009	100%	589,178,993

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**37.2 COMPOSITIONS OF STORES, SPARES AND TOOLS CONSUMED:-**

	For the Year Ended 31st March, 2015		For the Year Ended 31st March, 2014	
	Quantity	Value	Quantity	Value
Indigenous	100%	141,634,517	100%	105,471,278
Total	100%	141,634,517	100%	105,471,278

38. In the opinion of the management, the value on realization of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.
39. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure.
40. All amounts in the financial statements are rounded off to the nearest of Rupee, except as otherwise stated.
41. Current year figures are shown in bold prints.

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

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

Sd/-
Ruchi Jain
Partner
Membership No: 99920

Sd/-
Tarun Talwar
Managing Director
DIN : 02276634
R/o. W-80, G.K.-II, N. Delhi-48

Sd/-
Sanjay Sharma
Executive Director
DIN : 06394774
R/o. H.No. 1002, Sector-8, Faridabad

Place : Faridabad
Date : 16.05.2015

Sd/-
Ankush Jindal
Company Secretary
M.No. : A26017
R/o. H.No. 37, Sector-55, Faridabad

Sd/-
Kanwar Pal Pawar
Chief Financial Officer
R/o. MCF-57, Shyam Colony,
Tigaon Road, Ballabgarh

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TALBROS ENGINEERING LIMITED

CIN No.: L74210HR1986PLC033018

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