



Talbro's Automotive
Components Ltd.

www.talbro's.com

Date: May 21, 2016

| | |
|---|--|
| The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal street, Fort, Mumbai- 400 001 | The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 |
|---|--|

Company Code: 505160 / TALBROAUTO

Sub: Outcome of Board Meeting and Audited Financial Results for the financial year ended 31st March, 2016.

Dear Sir/ Madam,

Please find attached herewith a copy of Audited Financial Results of the Company for the year ended 31st March, 2016 which was considered by Audit Committee and duly approved by the Board of Directors of the Company in their meetings held on today i.e. 21st May, 2016 along with Auditors' Report and Form A.

The highlights of the accounts are as under for the financial year ended 31st March, 2016.

(Rs. in Lacs)

| | | Stand Alone | | Consolidated | |
|------|---|---|---|---|---|
| | | For the year ended 31 st March, 2016 | For the year ended 31 st March, 2015 | For the year ended 31 st March, 2016 | For the year ended 31 st March, 2015 |
| i. | Total income from operations (Net) | 31008.52 | 31083.89 | 39200.26 | 38879.28 |
| ii. | Profit/ (Loss) before depreciation | 1984.09 | 2110.84 | 2457.80 | 2919.60 |
| iii. | Provision for depreciation and amortisation of expenses | 814.10 | 803.04 | 1038.89 | 998.59 |
| iv. | Profit/ (Loss) before tax | 1169.99 | 1307.80 | 1418.91 | 1921.01 |
| v. | Tax Expenses | 351.51 | 309.94 | 447.85 | 508.82 |
| vi. | Net profit/ (loss) for the year | 818.48 | 997.86 | 971.06 | 1412.19 |

As required under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we wish to inform that the Board of Directors also inter alia approved the following:

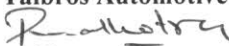
- Convening the 59th Annual General Meeting of the members of the Company on Monday, 26th September, 2016 and;
- Closure of Registers of Members and Share Transfer Book of the Company from 19th September, 2016 to 26th September, 2016 (both days inclusive) for the purpose of AGM and payment of dividend.
- Recommendation for approval by members at the ensuing Annual General Meeting, payment of dividend on equity shares of Rs. 10/- each @ Rs. 1.50 per equity share aggregating to Rs. 1,85,18,445/- for the financial year ended 31st March, 2016 on the entire share capital of 12345630 shares. The dividend, if approved by the shareholders will be paid on or after 26th September, 2016.

The above information is also available on the website of the Company at www.talbro's.com

This is for your kind information and necessary records.

Thanking you,

Yours Sincerely
For Talbro's Automotive Components Limited


+ Seema Narang
Company Secretary

Encl: As above

Notes:

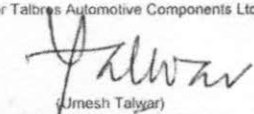
- The above consolidated financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 21st May, 2016 and have been subjected to "Limited Review" by the Statutory Auditors of the Company.
- The consolidated results are prepared on the basis of proportionate consolidation as per the Accounting Standard (AS-27) after considering financial results of JV Companies, Nippon Leakless Talbros Pvt. Ltd., Magneti Marelli Talbros Chassis Systems Pvt. Ltd., and Talbros Marugo Rubber Pvt. Ltd.
- The company's operations comprise of only one segment viz 'Auto Components and Parts' and therefore, no separate disclosure is required to comply with requirements of the Accounting Standard (AS-17) 'Segment Reporting'.
- Exceptional Items - Represents the loss on sale of machine in one of our Joint Venture company Magneti Marelli Talbros Chassis Systems Private Limited, in the previous year it represents terminal benefits payable to the erstwhile employees of the Chennai Plant whose services were terminated upon closure.
- Figures of the quarter ended 31st March, 2016 and 31st March, 2015 are the balancing figures between audited figures in respect of full financial year and published figures upto the third quarter of the relevant financial year.
- Figures for the previous periods/year have been regrouped and re-arranged, wherever considered necessary.
- Standalone Results are available for perusal on Company's Website, www.talbro.com as well as on Stock Exchanges' Website, www.nseindia.com & www.bseindia.com. The key financials on standalone basis are as under:-

| Particulars | (Rs. in lacs) | | | | |
|------------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Qtr. Ended 31st March, 2016 | Qtr. Ended 31st Dec. 2015 | Qtr. Ended 31st March, 2015 | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Income from Operations (Net) | 8191.96 | 7465.80 | 7726.99 | 31008.52 | 31083.89 |
| Profit before Tax | 330.42 | 385.53 | 553.64 | 1169.99 | 1307.80 |
| Profit after tax | 178.39 | 322.53 | 284.84 | 818.48 | 997.86 |

8 Statement of Assets and Liabilities :-

| Particulars | (Rs. in lacs) | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Standalone | | Consolidated | |
| | As at 31st March, 2016 (Audited) | As at 31st March, 2015 (Audited) | As at 31st March, 2016 (Audited) | As at 31st March, 2015 (Audited) |
| EQUITY AND LIABILITIES | | | | |
| 1. Shareholder's Fund | | | | |
| (a) Share Capital | 1234.56 | 1234.56 | 1234.56 | 1234.56 |
| (b) Reserves & Surplus | 11539.91 | 10944.30 | 11881.81 | 11480.27 |
| 2. Non Current Liabilities | | | | |
| (a) Long Term Borrowings | 1683.85 | 2297.15 | 2287.22 | 3175.37 |
| (b) Deferred Tax Liabilities (Net) | 952.79 | 594.40 | 711.11 | 468.12 |
| (c) Other Long Term Liabilities | 27.36 | 27.36 | 27.36 | 27.36 |
| (d) Long Term Provisions | 310.42 | 375.55 | 339.51 | 406.76 |
| 3. Current Liabilities | | | | |
| (a) Short Term Borrowings | 8929.08 | 8501.22 | 9056.46 | 8506.95 |
| (b) Trade Payable | 8927.13 | 7503.77 | 10680.19 | 9221.81 |
| (c) Other Current Liabilities | 2415.26 | 2929.99 | 2948.41 | 3584.00 |
| (d) Short Term Provisions | 351.15 | 250.04 | 402.51 | 254.04 |
| Total | 36371.51 | 34658.34 | 39569.14 | 38359.24 |
| ASSETS | | | | |
| 1. Non Current Assets | | | | |
| (a) Fixed Assets | | | | |
| i) Tangible Assets | 9143.38 | 8821.14 | 11431.23 | 11103.92 |
| ii) Intangible Assets | 72.68 | 129.86 | 253.30 | 345.71 |
| iii) Capital work in progress | 0.00 | 463.68 | 63.46 | 856.08 |
| iii) Intangible Assets under Development | 56.46 | 38.47 | 56.46 | 38.47 |
| (b) Non current investments | 3229.42 | 2604.42 | 721.42 | 571.41 |
| (c) Long Term Loans and Advances | 1172.80 | 1144.02 | 1402.34 | 1272.20 |
| (d) Other Non Current Assets | 47.35 | 49.25 | 47.35 | 49.25 |
| 2. Current Assets | | | | |
| (a) Current Investment | | | | |
| (a) Inventories | 12784.83 | 11368.08 | 14109.16 | 12756.74 |
| (b) Trade Receivables | 7072.11 | 6690.22 | 8136.52 | 7367.67 |
| (c) Cash and Cash equivalents | 481.46 | 541.17 | 813.60 | 1018.10 |
| (d) Short Term Loans and Advances | 2229.52 | 2723.16 | 2429.97 | 2883.13 |
| (e) Other Current Assets | 81.50 | 84.87 | 84.33 | 96.56 |
| Total | 36371.51 | 34658.34 | 39569.14 | 38359.24 |

For Talbros Automotive Components Ltd.,


Umesh Talwar
Vice Chairman & Managing Director

Date : 21st May, 2016
Place : New Delhi



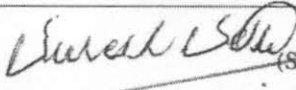
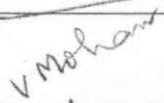
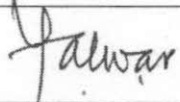
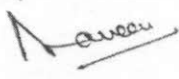
Talbro's Automotive
Components Ltd.

www.talbro's.com

Date: 21st May, 2016

FORM- A (for audit report with unmodified opinion)

To be submitted with Audit Report in terms of Regulation 33 of SEBI (Listing
Obligation and Disclosure Requirements) Regulations, 2015

| | | |
|----|---|--|
| 1. | Name of the Company | Talbro's Automotive Components Limited |
| 2. | Annual financial statements for the year ended | 31 st March, 2016 |
| 3. | Type of Audit observation | Un modified |
| 4. | Frequency of observation | Un modified since last more than 10 years |
| 5. | Signatures: | For S.N. Dhawan & Company Chartered Accountants (Firm Regn. No. 000050N) |
| | Auditor M/s. S. N. Dhawan & Co., |  (SURESH SETHI) Partner M. No. F-10577 |
| | Mr. V. Mohan Chairman, Audit Committee |  |
| | Mr. Umesh Talwar Vice Chairman & Managing Director |  |
| | Mr. Naveen Gupta CFO |  |

INDEPENDENT AUDITOR'S REPORT To the Members of Talbros Automotive Components Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Talbros Automotive Components Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Pune.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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



India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements/information of one branch included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. 27,97,74,963/- as at March 31, 2016 and total revenues of Rs. 62,56,54,589/-for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branch not visited by us;
 - (c) The report on the accounts of the branch office of the Company audited under Section 143 (8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report;
 - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 30 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

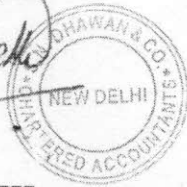
**For S. N. Dhawan and Co.
Chartered Accountants
Firm Reg. No.: 000050N**

Suresh Sethi

(Suresh Sethi)

Partner

Membership. No. 10577



Place: New Delhi

Date: May 21, 2016

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the fixed assets 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. Discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following:

| Total no of cases | Type of asset | Gross block and net block as at 31.03.2016 | Remarks |
|-------------------|---------------|--|--|
| 1 | Freehold land | Rs. 4,65,25,676/- | 28,575 Sq Mtrs purchased from Haryana State Industrial Development Corporation Ltd pending registration in the name of the Company |

- ii) According to the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals during the year except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us and based on our examination of the documents and records, the Company has not granted any secured or unsecured loans to the companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to information and explanations given to us, the Company has, in respect of loans, investments, guarantees, and security, complied with the provisions of section 185 and 186 of the Act.
- 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 sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.



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

vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues to the appropriate authorities and no undisputed amounts payable in respect of above were in arrears, as at March 31, 2016, for a period of more than six months from the date they became payable except for value added tax payable of Rs. 32,043/-.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service tax, duty of custom, duty of excise or value added tax which have not been deposited on account of any dispute except for the following:

| Name of the Statute | Nature of the Dues | Period to which the amount relates | Amount (Rs.) | Forum where dispute is pending |
|------------------------------------|-----------------------|------------------------------------|--------------|---------------------------------------|
| Central Excise Act, 1944 | Demand of excise duty | 1998-2002 | 1,417,866 | The Assistant Commissioner, Faridabad |
| Maharashtra VAT Act, 2005 | Demand of VAT | 2005-06 & 2008-09 | 497,936 | Joint Commissioner of Sales Tax, Pune |
| Employee State Insurance Act, 1948 | ESI Demand | 1995-99 | 801,587 | Civil Judge, Gurgaon |
| Employee State Insurance Act, 1948 | ESI Demand | 2007-2009 | 3,327,524 | Civil Judge, Gurgaon |
| Employee State Insurance Act, 1948 | ESI Demand | 2007-08 | 627,416 | Civil Judge, Gurgaon |
| Income Tax Act, 1961 | Income Tax Demand | 2004-05 | 447,739 | CIT – Appeal |
| Income Tax Act, 1961 | Income Tax Demand | 2011-12 | 1,398,150 | CIT – Appeal |
| Income Tax Act, 1961 | Income Tax Demand | 2012-13 | 2,108,909 | CIT – Appeal |



| | | | | |
|-----------------------------------|--------------------------|-----------------------------|--------------|--|
| Central excise Act, 1944 | Cenvat Credit disallowed | 2007-08 to 2010-11 | 885,308 | The Assistant Commissioner, Faridabad |
| Haryana Value Added Tax Act, 2003 | Input tax disallowed | 2006-07 | 273,548 | The Deputy Commissioner Gurgaon |
| Central excise Act, 1944 | Cenvat Credit disallowed | August 2011 to October 2013 | 267,681 | Superintendent Range - IVB, Chennai |
| Custom Act, 1962 | Demand of custom duty | 2013-14 | 7,96,882 | Deputy Commissioner of Customs, New Delhi |
| Custom Act, 1962 | Demand of custom duty | 2014-15 | 16,83,081 | Assistant Commissioner of Customs, Nhavasheva Port |
| Central excise Act, 1944 | Demand of excise duty | FY 2010-11 to FY 2015-16 | 3,60,89,686* | Commissioner of Customs, Central Excise and Service Tax, Hapur |

*net of amount paid under protest Rs. 80,00,000/-

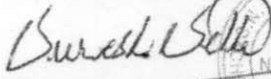
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, and government. The Company has not issued any debentures during the year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised were applied for the purposes for which they have been raised.
- x) Based on our audit procedures and as per the information and explanations given by the management, we report that no fraud by the Company or on the Company, by its officers or employees, has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the books of account and other records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with the schedule V to the Act.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii) Based on our audit procedures and as per the information and explanations provided by the management, in our opinion, the Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.



xv) According to the information and explanations given to us and based on our examination of documents and records, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

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

**For S. N. Dhawan and Co.
Chartered Accountants
Firm Reg. No.: 000050N**


**(Suresh Sethi)
Partner
Membership. No. 10577**



**Place: New Delhi
Date: May 21, 2016**

Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

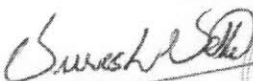
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S. N. Dhawan & Co.
Chartered Accountants
Firm Reg. No. 000050N


(Suresh Sethi)
Partner
Membership No. 10577



Place: New Delhi
Date: May 21, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of
Talbro Automotive Components Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Talbro Automotive Components Limited** ("the Company") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also



includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the the Company and its jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

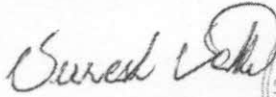
Report on Other Legal and Regulatory Requirements


1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors of the Company and its jointly controlled entities as on March 31, 2016 and taken on record by the respective Board of Directors, none of the directors of the Company and its jointly controlled entities is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities, Refer Note no. 30 to the consolidated financial statements;



- ii. The Company and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities.

For S. N. Dhawan and Co.
Chartered Accountants
Firm Reg. No.: 000050N


(Suresh Seth)
Partner
Membership. No. 10577



Place: New Delhi
Date: May 21, 2016

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Talbros Automotive Components Limited** ("the Company") and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

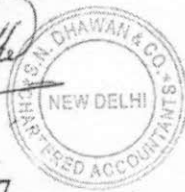
Opinion

In our opinion, the Company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For S. N. Dhawan & Co.
Chartered Accountants
Firm Reg. No. 000050N**

Suresh Sethi

**(Suresh Sethi)
Partner
Membership No. 10577**



**Place: New Delhi
Date: May 21, 2016**