

TALBROS AUTOMOTIVE COMPONENTS LIMITED

Registered Office: 14/1, Delhi-Mathura Road

Faridabad-121003, Haryana

[CIN- L29199HR1956PLC033107]

Website: www.talbros.com

NOTICE

NOTICE is hereby given that the **57th** Annual General Meeting of the members of Talbros Automotive Components Limited will be held on Friday the 12th day of the September, 2014 at 10.30 a.m. at **Hotel Atrium, Shooting Range Road, Suraj Kund, Faridabad -121001 (Haryana)** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on paid-up Equity Share Capital for the financial year ended on 31st March, 2014.
3. To appoint a Director in place of Mr. Anuj Talwar (DIN 00628063), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s S.N. Dhawan & Co., New Delhi (Firm Registration No. 000050N) as Statutory Auditors of the Company. M/s. R. Sundaraman & Co., Chartered Accountants, Chennai (Firm Registration No. 0042195) and M/s. CMRS & Associates, Chartered Accountants, Pune (Firm Registration No. 101678W) as auditors for company's Chennai & Pune Branches respectively and authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 & Clause 49 of the Listing Agreement, Mr. Rajiv Sawhney (DIN 00071612), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 & Clause 49 of the Listing Agreement, Mr. Rajeev Ranjan Vederah (DIN 00012252), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 & Clause 49 of the Listing Agreement, Mr. Venkatraman Mohan (DIN 00071517), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 & Clause 49 of the Listing Agreement, Mr. Anil Kumar Mehra (DIN 00004654), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 & Clause 49 of the Listing Agreement, Mr. Amit Burman (DIN 00042050), in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from this Annual General Meeting.

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

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

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

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

RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement for Sale of Company's products namely Gaskets, Forgings and other Auto Parts to QH Talbros Limited for a period of three years with effect from 1st April 2014 to 31st March 2017 upto maximum amount of Rs. 24.00 Crores in one financial year.

RESOLVED FURTHER THAT any acts/transactions done under this Agreement after 1st April, 2014 and upto the date of passing of this resolution be and are hereby approved and ratified.

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

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

RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into a Trademark License Agreement with QH Talbros Limited for a period of nine years with effect from 1st April 2014 to 31st March 2023 for permission to use the Trade Mark and distribution network of the Company and in consideration thereof QH Talbros Limited shall pay to the Company a fee equivalent to 1% of its gross Replacement Sales for the use of its trademark and distribution network for each financial year during the period from 1st April, 2014 to 31st March, 2023.

RESOLVED FURTHER THAT any acts/transactions done under this Agreement after 1st April, 2014 and upto the date of passing of this resolution be and are hereby approved and ratified.

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

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

RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement with Nippon Leakless Talbros Private Ltd for the transactions of purchase and/or sale of Tyre Sealant and other production inputs namely Pulp Fibre, MBR Latex, Varnish, Rhodopole and Nylon etc. for a period of three years with effect from 1st April 2014 to 31st March 2017 upto maximum amount of Rs. 4.00 Crores in one financial year.

RESOLVED FURTHER THAT any acts/transactions done under this Agreement after 1st April, 2014 and upto the date of passing of this resolution be and are hereby approved and ratified.

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

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

RESOLVED THAT pursuant to section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors to enter into an Agreement with Nippon Leakless Talbros Private Ltd for the transactions of sale/purchase of gaskets to each other for a period of three years with effect from 1st April 2014 to 31st March 2017 upto maximum amount of Rs. 2.00 Crores in one financial year.

RESOLVED FURTHER THAT any acts/transactions done under this Agreement after 1st April, 2014 and upto the date of passing of this resolution be and are hereby approved and ratified.

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

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

RESOLVED THAT in supersession of the Ordinary Resolution passed through Postal Ballot on 2nd May, 2008 and pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency, whether unsecured or secured, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate of paid-up capital and free reserves of the Company and that the total amount up to which the moneys borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs. 250 Crores (Rupees Two Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

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

RESOLVED THAT in supersession of the Ordinary Resolution passed through Postal Ballot on 18th March, 2009 and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (including a duly constituted Committee thereof) for mortgaging and/or charging all the immovable and movable properties of the Company, present and future, wheresoever situate, and whole or any part of the undertaking of the Company in respect of any term loans, foreign currency borrowing including external commercial borrowing, buyer’s credit or syndicated loan, non-convertible debentures etc., issued by the Company together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the lenders/ Trustees to the holders of the non-convertible debentures, with such ranking and at such time and on such terms as the Board may determine.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the lenders/Trustees to the holders of the non-convertible debentures, as the case may be the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

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

RESOLVED THAT pursuant to section 148, read with 139, 141 and Companies (Cost Accounting Records) Rules, 2013, and subject to such guidelines and approval as may be required from the Central Government, the re-appointment of M/s Vijender Sharma & Co. , Cost accountants (Firm Registration No. 00180) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2014 -15 on a remuneration of Rs.1.75 Lacs plus service tax as applicable and reimbursement of out of pocket expenses, be and is hereby ratified.

By Order of the Board
For Talbros Automotive Components Limited

Sd/-

Seema Narang
Company Secretary

Place: New Delhi
Date: May 26, 2014

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business mentioned under items no. 5 to 16 of the accompanying Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Register of Members will remain closed from 5th September 2014 to 12th September 2014 (Both days inclusive).
5. Members are once again informed that in terms of Sections 124 & 125 of the Companies Act, 2013, dividends which remain unclaimed / unencashed for periods of 7 years are to be transferred by the Company to the Investor Education and Protection Fund (IEPF) constituted by the Central Government. No claim lies against the Company for unclaimed / unencashed dividend amount, if any, upon transfer.
6. Accordingly, all dividends declared upto 31st March 2006 which remained unclaimed/ unencashed, have already been transferred to the IEPF. Members who have not encashed the dividend warrant(s) so far for the financial year ended March 31, 2007 or any subsequent dividend payment(s) are requested to make their claim to the Company. Members who have so far not claimed the unpaid dividend for the year 2006-07 have been notified in this connection.

7. Dividend on Equity Shares for the financial year ended March 31, 2014, if declared at the Annual General Meeting, shall be paid to those Members whose names (in case of shares held in electronic form) appear as Beneficial Owners as at close of business hours on 4th September 2014 and for shares held in physical form, whose names appear in the Register of Members on the date of the Annual General Meeting.
8. Queries, if any, regarding accounts and operations of the Company may please be sent to the Company Secretary at the Registered Office at least 10 days before the date of the Annual General Meeting so as to enable the Company to keep the information ready at the meeting.
9. Members holding shares in electronics form should get their email IDs updated with their respective Depository Participant so that they can get the copies of correspondence etc. sent by the Company via email.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
13. Electronic copy of the Notice of the 57th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 57th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
14. Members may also note that the Notice of the 57th Annual General Meeting and the Annual Report will also be available on the Company's website www.talbro.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: memberservice@talbro.com.
15. Shareholders are requested to address all correspondence relating to their shareholding to the Company's Registrars and Share Transfer Agents, M/s Karvy Computershare Private Ltd., at the following address:-

M/s Karvy Computershare Private Ltd.,
Unit: Talbro Automotive Components Ltd.,
Plot No.17-24, VithalRao Nagar,
Madhapur, Hyderabad - 500 081.
Tel: 040-23420815-825
Fax: 040-23420814
Email: ks.reddy@karvy.com

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

Item No 5.

Mr. Rajive Sawhney, aged 67 years, Independent non-Executive Director of the Company is a Bachelor in Arts from St. Stephen College, Delhi and an LLB from the Delhi University. He has more than 42 years of experience as a corporate law expert and is a Senior Advocate of the Supreme Court of India. He is on your Board since 2003 and is also the member of the Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

Mr. Rajive Sawhney doesn't hold by himself or for any other person on a beneficial basis, any shares/ convertible instruments of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajive Sawhney being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from this Annual General Meeting. A notice has been received proposing Mr. Rajive Sawhney as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajive Sawhney fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A Copy of the draft letter for appointment of Mr. Rajive Sawhney as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajive Sawhney as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajive Sawhney as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajive Sawhney, being an appointee, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No 6.

Mr. Rajeev Ranjan Vederah, aged 65 years is an Engineer from IIT, New Delhi and a Masters of Sciences in Chemical Engineering from University of Ashton (U.K.) and has 44 years of rich and varied experience.

Mr. Rajeev Ranjan Vederah doesn't hold by himself or for any other person on a beneficial basis, any shares/ convertible instruments of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Rajeev Ranjan Vederah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from this Annual General Meeting. A notice has been received proposing Mr. Rajeev Ranjan Vederah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Rajeev Ranjan Vederah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A Copy of the draft letter for appointment of Mr. Rajeev Ranjan Vederah as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajeev Ranjan Vederah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajeev Ranjan Vederah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajeev Ranjan Vederah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 7.

Mr. Venkatraman Mohan, aged 63 years, Independent non-Executive Director of the Company is a Bachelor in Commerce from the Madras University and is a Fellow Member of the Institute of Chartered Accountants of India. He also acts as a Corporate Advisor for many Companies. He is on your Board since 2004 and is also the Chairman of the Audit Committee and member of Nomination & Remuneration Committee and Stakeholder Relationship Committee.

Mr. Venkatraman Mohan doesn't hold by himself or for any other person on a beneficial basis, any shares/convertible instruments of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Venkatraman Mohan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from this Annual General Meeting. A notice has been received proposing Mr. Venkatraman Mohan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Venkatraman Mohan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A Copy of the draft letter for appointment of Mr. Venkatraman Mohan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Venkatraman Mohan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Venkatraman Mohan as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Venkatraman Mohan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 8.

Mr. Anil Kumar Mehra, aged 69 years, is a Bachelor in Commerce (Hons.) from Sri Ram College of Commerce, Delhi University. Mr. Anil Kumar Mehra is Fellow Member of the Institute of Chartered Accountants of England and Wales and the Institute of Chartered Accountants of India. He has over 39 years of experience in statutory audit, internal audit, management audit and special investigative audits. Mr. Anil Kumar Mehra has been advising various companies on financial management and corporate planning. He is on your Board since 2004 and is also the Chairman of the Nomination & Remuneration Committee and member of Audit Committee and Stakeholders Relationship Committee.

Mr. Anil Kumar Mehra doesn't hold by himself or for any other person on a beneficial basis, any shares/ convertible instruments of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Anil Kumar Mehra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from this Annual General Meeting. A notice has been received proposing Mr. Anil Kumar Mehra as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Anil Kumar Mehra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A Copy of the draft letter for appointment of Mr. Anil Kumar Mehra as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anil Kumar Mehra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Kumar Mehra as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Anil Kumar Mehra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 9.

Mr. Amit Burman, aged 45 years, is a MBA from University of Cambridge, UK and MSC in Industrial Engineering from Columbia University. He has over 21 years of rich experience in the processed Food Industry and Health & Care Industry and is responsible for driving Business Strategy, Development and Communication at various companies He is on your Board since 2008 and is also the member of the Audit Committee.

Mr. Amit Burman doesn't hold by himself or for any other person on a beneficial basis, any shares/ convertible instruments of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Amit Burman being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for five consecutive years from this Annual General Meeting. A notice has been received proposing Mr. Amit Burman as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Amit Burman fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the

management. A Copy of the draft letter for appointment of Mr. Amit Burman as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Amit Burman as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Amit Burman as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Amit Burman, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No 10

The members are hereby apprised that the Company had been accepting deposits from its shareholders, employees, their relatives and other sections of public as permissible under the provisions of Companies Act, 1956 read with corresponding Companies (Acceptance of Deposits) Rules, 1975, earlier in force.

However with the commencement of Companies Act, 2013 ('the 2013 Act), deposits are now governed by the new law and approval of the shareholders is required by way of a Special Resolution for inviting/accepting/renewing deposits. Also your Company shall be taking deposit insurance for unsecured deposits and credit rating from recognized credit rating agency as per the requirement of the Companies Act, 2013.

Your Directors recommend the Special Resolution at Item No. 10 of the Notice of Annual General Meeting for the approval of the Members.

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

Item No 11 & 12

QH Talbros Limited (QHT) is an associate company and is a related party as per Section 184.

The Special Resolution mentioned at item no.11 of the accompanying Notice is for entering into an Agreement with QHT for sale of Company's products namely Gaskets, Forgings and other auto parts to QHT for a period of three years from 1st April 2014 to 31st March 2017 upto maximum sale value aggregating to Rs. 24.00 crores in one financial year.

The Special Resolution mentioned at item no. 12 of the accompanying Notice is for entering into an Agreement with QHT for a period of nine years from 1st April 2014 to 31st March 2023 permitting QHT to use the Trade Mark and distribution network of the Company and in consideration thereof QHT shall pay to the Company a fee equivalent to 1% of its gross Replacement Sales for each financial year.

Your Directors recommend the Special Resolutions at Item No. 11 & 12 of the Notice for the approval of the Members.

Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. V. Mohan and Mr. Amit Burman being common Directors of both the companies may be deemed interested in the proposed Special resolution.

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

Item No 13 & 14

Nippon Leakless Talbros Private Ltd (LTL) is a 40:60 Joint Venture Company between Talbros Automotive Components Limited (TACL) and Nippon Leakless Corporation of Japan and is a related party as per Section 184.

Both LTL and TACL are engaged in the business of manufacturing Gaskets and Tyre sealant and both the companies require same raw material for manufacturing Tyre Sealant. Since last three years LTL has been constantly supplying Tyre Sealant and production input namely Pulp to TACL to meet its customer demands and therefore the Special Resolution mentioned at item no. 13 & 14 of the accompanying Notice is for entering into an Agreement with LTL for a period of three years effective from 1.4.2014 to 31.03.2017 for sale/purchase of Tyre Sealant and other production inputs namely Pulp fibre, MBR Latex, varnish, rhodopole and nylon etc from/to LTL for a maximum value of Rs 4.00 crore in each financial year.

Both TACL and LTL have been constantly supplying Gaskets to various OEMs such as Hero, Honda, Yamaha etc. In order to meet the situation of breakdown of machinery and excess demand of its customers both the companies are desirous of entering into an Agreement for purchase /sale of Gaskets from/to each other as and when required. The Special Resolution mentioned at item no. 13 & 14 of the accompanying Notice is for entering into an Agreement with LTL for a period of three years effective from 1.4.2014 to 31.03.2017 for a value not exceeding Rs 2.00 crore in each financial year.

Your Directors recommend the Special Resolutions at Item No. 13 and 14 of the accompanying Notice for the approval of the Members.

Mr. Naresh Talwar and Mr. Umesh Talwar being common Directors of both the companies may be deemed interested in the proposed Special resolution.

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

Item No 15 & 16

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1) (c) borrowings by a Company apart from temporary loans obtained from the Company's bankers in excess of its paid-up capital and free reserves, require the approval of the Members by way of a special resolution.

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Members of the Company vide postal Ballot dated 2nd May, 2008 had pursuant to Section 293(1)(d) of the Companies Act, 1956, approved the borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 250 Crores (Rupees Two Hundred Fifty Crores only).

The members of the Company under Section 293(1)(a) of the Companies Act, 1956 had also approved creating mortgages/ charges/ hypothecations on the movable and immovable properties of the Company in favour of the

lending agencies/debenture trustees, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956.

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014. Pursuant to the above clarification a fresh approval of the Members is being sought under Section 180 of the Companies Act, 2013.

The Board recommends the Special Resolutions at Item Nos. 15 and 16 for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

Item No 17.

A proposal for appointment of M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 00180) as Cost Auditor for the financial year 2014-15 was recommended by the Audit Committee to the Board which was approved by the Board in its meeting held on 26th May 2014. Certificate issued by the Cost Auditors regarding their eligibility for appointment as Cost Auditors will be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence, this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 17.

The Directors recommend this resolution for the approval of shareholders.

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

Place: New Delhi
Dated: May 26, 2014

**Sd/-
Seema Narang
Company Secretary**

ANNEXURE TO EXPLANATORY STATEMENT

Details of Directors Seeking Appointment / Reappointment at the forthcoming Annual General Meeting (pursuant To Clause 49 of the Listing Agreement)

Name of the Director	Mr. Anuj Talwar	Mr. Rajive Sawhney	Mr. R.R. Vederah	Mr. V. Mohan	Mr. Anil Kumar Mehra	Mr. Amit Burman
Date of Birth	19.12.1980	02.01.1947	30.08.1949	06.01.1951	05.09.1944	16.07.1969
Date of Appointment	14.08.2012	26.08.2003	13.02.2013	31.01.2004	31.01.2004	25.06.2008
Qualifications	Bachelor in Business Administration from college of William & Mary, Virginia, USA and Master of Business Administration from Boston University Graduate School of Management	Bachelor in Arts from St. Stephen College, Delhi and an LLB from the Delhi University	Chemical engineering from the Indian Institute of Technology, New Delhi and a Master of Sciences in Chemical Engineering from University of Ashton (U.K.)	B.Com, FCA	B.Com (H), FCA	M.S.C. in Industrial Engineering, MBA
Nature of expertise in specific Functional areas	10 years of rich experience in the Corporate Finance, Credit analysis and Auto Industry	Act as a Corporate Law Expert and Senior Advocate of Supreme Court of India	44 years of rich experience in Chemical Engineering.	Acts as a Corporate Advisor for many Companies.	39 years of rich experience in Statutory Audit, internal audit, management audit, special investigative audit.	21 years of rich experience in the IT Sector, Auto Components and Health & Care Industry.
Directorship and Trustee ship in other Companies	1. Talbros International Ltd. 2. Euro Motors Pvt. Ltd. 3. Magneti Marelli Talbros Chassis Systems Pvt. Ltd. 4. Talbros Marugo Rubber Pvt. Ltd.	1. Win-Medicare Pvt, Ltd. 2.Global Health Pvt. Ltd 3.Doctor Naresh Trehan and Associates Health Services Pvt. Ltd	1. Ballarpur Industries Limited 2. Bilt Industrial Packaging Company Ltd. 3. Bilt Graphic Paper Products Ltd. 4. Premier Tissues (India) Ltd. 5. Solaris Chemtech Industries Ltd. 6. Imerys Newquest (India) Pvt. Ltd. 7. Ballarpur International Holdings B.V. 8. Ballarpur International Graphic Paper Holdings B.V	1. Lloyd Insulations (India) Ltd. 2. Champion Industries Ltd. 3. Vascon Engineers Ltd. 4. Isolloyd Engineering Technologies Ltd. 5. QH Talbros Ltd. 6. Punj Sons Private Ltd. 7. Muller Investments Pvt. Ltd. 8. Cornelia Investments Pvt. Ltd. 9. Gauder Investments Pvt. Ltd. 10. Cosmo Capital and Investment Pvt. Ltd. 11. Super Sara	1.The All India Finance and Commerce Pvt. Ltd. 2.Integrated Data Bases India Ltd. 3.The All India Investment Corporation Pvt. Ltd. 4.T.V. Today Network Business Ltd. 5.India Today Online Pvt. Ltd. 6.Radio Today Broadcasting Ltd. 7.TV Today Network Business Ltd. 8.Thomson Digital (India) Ltd. 9.Today	1.QH Talbros Ltd. 2.Micromax Informatics Ltd. 3.H & B Stores Ltd. 4.Angel Softech Pvt Ltd. 5.Chowdry Associates 6.Ratna Commercial Enterprises Pvt Ltd. 7.Gyan Enterprises Pvt Ltd. 8.Natures Bounty Wines and Allied Products Pvt Ltd 9.Consortium Consumercare Pvt Ltd 10.A.B. Promart Pvt Ltd 11.Oriental Structural

			9. Sabah Forest Industries Sdn. Bhd. 10. Thapar Centre for Industrial Research & Development	Auto Tradings (India) Pvt. Ltd. 12. GMP Technical Solutions Pvt. Ltd. 13. BEC Industrial Investment Company Pvt. Ltd.	Merchandise Pvt. Ltd 10. Bishop Cotton School 11. Education Today 12. Care Today Fund 13. TV Today Network Limited- Employees Gratuity Trust 14. Mehra, Singh & Vishwanath 15. Anil Mehra & Company	Engineers Pvt Ltd 12. Lite Bite Foods Pvt Ltd 13. Jetage Infrastructure Ltd 14. Lite Eat Out Foods Pvt Ltd 15. Dabur Securities Pvt Ltd 16. PVR Limited 17. Passionate Foods Pvt Ltd 18. LBF Trading Co. Pvt. Ltd. 19. Lite Bite Travel Foods Pvt Ltd 20. Dabur India Ltd 21. Burger Foods and Hospitality Pvt Ltd
Members of Committees of other Companies			04		02	04
No. of share held	62851				Nil	2627