

TALBROS AUTOMOTIVE COMPONENTS LIMITED

CIN: L29199HR1956PLC033107

Regd. Office: 14/1, Delhi Mathura Road, Faridabad-121003, Haryana

Website: www.talbros.com, Email: shares@talbros.com

Tel: 0129 4294182, Fax: 0129 2277240

POSTAL BALLOT NOTICE

NOTICE TO MEMBERS PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013.

Dear Member(s),

NOTICE is hereby given to the Members of Talbros Automotive Components Limited pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 that the Company is seeking consent of its Members for the proposed following special resolutions by way of Postal Ballot/e-voting.

The proposed resolution along with the Explanatory Statement pursuant to section 102 of the Companies Act, 2013 setting out the material facts and the reasons for the said proposal is being sent with this notice and a Postal Ballot Form (Form) is enclosed for your consideration.

The Board has appointed Mrs. Kiran Sharma, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Please read the instructions printed in the Postal Ballot Form carefully and return the said Postal Ballot Form (no other form or photocopy thereof is permitted) duly completed, in the attached self addressed postage prepaid envelope so as to reach the Scrutinizer at the address mentioned on the envelope on or before the close of working hours i.e. 5.00 pm on 4th February, 2015.

The postage will be borne and paid by the Company. It is however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

The Company is pleased to offer e-voting facility as an alternative way to record votes to its individual members. The procedure for availing the e-voting facility is described as a separate section on the instruction page of the Form.

The Scrutinizer will submit her Report to the Chairman of the Board after completion of the scrutiny of the Postal Ballots and the result thereof shall be announced by the Chairman or by the Company Secretary in his absence, on 7th February, 2015 at 4.00 p.m. at the Registered Office of the Company at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana. The result of the postal ballot will immediately be intimated to the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The result of Postal Ballot shall also be posted on the Company's website. (www.talbros.com)

The following special business is proposed to be passed by Postal Ballot/ e- voting:

1.Re-appointment of Mr. Umesh Talwar as Vice-Chairman & Managing Director for a period of 3 years w.e.f 1st April, 2015 and fixation of his remuneration.

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

RESOLVED THAT pursuant to the provisions of section 196, 197, 203 read with Schedule V and other applicable provisions of Companies Act, 2013 and as are agreed to by the Board of Directors (hereinafter referred to as the Board) approval and consent of the Company be and is hereby accorded for re- appointment of Mr. Umesh Talwar as Vice Chairman & Managing Director of the Company for a period of three years with effect from April 01, 2015 not liable to retire by rotation on the remuneration as set out in the explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary, alter and modify, change, substitute, consolidate, delete and/or revise all the terms and conditions including as to remuneration, designation of the said appointment in any manner within the permissible limits and from time to time, as the Board may in its absolute discretion decide.

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

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

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

Place: Gurgaon

Date: 7th November, 2014

Sd/-

**Seema Narang
Company Secretary**

Notes:

1. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 read with (Management and Administration) Rules, 2014 in respect of proposed Special Resolution along with Postal Ballot form setting out material facts are appended herein below.
2. Only a members who is entitled to vote is entitled to exercise his/her vote through Postal Ballot / e-voting. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited

(CDSL) on 19th December, 2014 and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.

3. The date of dispatch of notice will be announced through advertisement in newspapers.
4. Shareholders desiring to exercise vote through physical mode are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. Please note that any Postal Ballot Form received after the close of Working Hours i.e. 5.00 pm on 4th February, 2015 will be treated as not having been received. The e-voting facility shall be disabled by Karvy accordingly.
5. The Company is pleased to offer e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. The members may opt for e-voting facility for giving their assent/dissent to the proposed resolution.
6. The date of Declaration of Result of the Postal Ballot shall be deemed to be the date of the General Meeting and the date of passing of the proposed resolution.
7. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the Form is permitted.
8. The Company is desirous to send various documents in electronic form to the email addresses provided by the members and made available by the depositories. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards green environment and to receive all documents, notices, and other communications of the Company, investors should register their e-mail addresses with the Registrar and Share Transfer Agent of the Company, if shares are held in physical mode or with their Depository Participant(s) (DP), if the holding is in electronic mode.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days from the date hereof upto the date of declaration of the result of Postal Ballot.

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

Item No. 1

Mr. Umesh Talwar, aged 64 years, has done B.Com (Hons) from Delhi University and MBA from XLRI, Jamshedpur. He has more than 38 years of rich experience in the automotive components industry. He has been associated with the company since 1977. He is an Executive Committee Member of Automotive Components Manufacturers Association of India (ACMA). He is also on the Board of QH Talbros Limited, T and T Multitrading Private Limited, Sunrise Medicare Private Limited, Nippon Leakless Talbros Private Limited, T & T Motors Limited and Talwar Steering and Suspension Limited.

Mr. Umesh Talwar is one of the Promoters of the Company and has been managing the affairs of the company as its Vice Chairman & Managing Director (VCMD) since 2000. In the 56th Annual General Meeting of the Company, shareholders had approved the re-appointment of Mr. Umesh Talwar as VCMD on payment of specified remuneration for a period of 3 years from April 01, 2012 to March 31, 2015.

The Board of Directors has, subsequent to the approval of Remuneration Committee, approved in its meeting held on 7th November, 2014, the remuneration as mentioned below as minimum remuneration payable to Mr. Umesh Talwar for a period of 3 years subject to shareholders' approval.

The shareholders of the Company are requested to approve the re- appointment of Mr. Umesh Talwar on the below mentioned remuneration for a period of three years with effect from April 01, 2015 to be paid as minimum remuneration in case of loss or inadequacy of profit in any financial year during his tenure:

1. Salary:
 - (a) Basic Salary of Rs. 4,85,000/- per month.
 - (b) House Rent Allowance @ 70% of the Basic Salary i.e. Rs. 3,39,500/- per month.
 - (c) Perquisites such as house maintenance allowance, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance etc. maximum to a maximum of Rs.12,500/- per month.
2. Perquisites & Allowances:
 - (a) Company's Contribution towards Provident Fund and Superannuation Fund as per rules of the Company.
 - (b) Gratuity – As per rules of the Company.
 - (c) Earned/Privilege Leaves - As per rules of the company. Leaves accumulated but not availed of during the tenure may be allowed to be encashed at the end of the

tenure.

- (d) Car-Provision of a Chauffeur driven car for the business purposes of the Company & personal use.
- (e) Telephone - Telephone facility at residence, personal long distance calls to be paid by him.
- (f) Such other benefits/amenities and other privileges as may from time to time be available to other executives of the Company and the monetary value shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same be evaluated at actual cost.

3. Other Benefits:

- (i) Reimbursement of entertainment expenses actually and properly incurred in course of the business of the company.
- (ii) The expenses in connection with the spouse accompanying Vice Chairman & Managing Director while on business tours in India and abroad to be borne by the Company.

In order to ensure continuity in payment of remuneration to whole time Directors irrespective of unforeseen volatility in operations/profitability and as per the requirements of Section – II of Part – II of Schedule V of the Companies Act, 2013 a Special Resolution is also required to be passed by way of postal ballot/ e-voting for payment of managerial remuneration, therefore consent of members by way of a Special Resolution is sought for payment of remuneration to Mr. Umesh Talwar as Vice Chairman & Managing Director of the Company w.e.f. April 01, 2015, for a period of three years.

The Directors feel that his re-appointment as a Vice Chairman & Managing Director shall be in the interest of the Company and recommend the Special Resolution at item no. 1 of this notice for your approval.

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

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

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

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

Financial Performance:		(Rs. Lakhs)				
Financial Parameters	2009-10	2010-11	2011-12	2012-13	2013-14	
Turnover (Rs. In Lakhs)	22914.34	29603.40	34352.84	29524.43	29438.74	
Net profit as per profit and loss statement	541.86	979.03	1081.85	1002.17	1743.57	
Amount of dividend paid	123.46	148.15	148.15	148.15	148.15	
Rate of dividend declared	10%	12%	12%	12%	12%	
Joint Ventures (JV)/ Foreign collaborators, if any	<ul style="list-style-type: none"> – Magneti Marelli Talbros Chassis Systems Private Limited (JV with Sistemi Sospensioni S.p.A, Italy) – Talbros Marugo Rubber Private Limited (JV with Marugo Rubber Industries Ltd, Japan) – Nippon Leakless Talbros Private Limited (JV with Nippon Leakless Corporation, Japan) 					
II. Information about the appointees:						
Name	Mr. Umesh Talwar					
Background Details	Aged 64 years, Mr. Umesh has done B.Com (Hons.) from Hindu College, Delhi University and MBA from XLRI, Jamshedpur. He has more than 38 years of experience in the Automotive Components Industry. He has been associated with the Company since 1977. He is one of the Promoters and has been managing the affairs of the company as its Vice Chairman & Managing Director (VCMD) since 2000. Under his leadership the company has received various awards and recognition.					
Past remuneration (Rs. Per annum)	2011-12	45.70 Lakhs				
	2012-13	45.87 Lakhs				
	2013-14	45.88 Lakhs				
Job profile and his suitability	Mr. Umesh Talwar is responsible for day to day management and administration of the Company's operations subject to the superintendence, direction and control of the Board					

Remuneration proposed	As set out in the explanatory statement for resolution at item no. 1 of this Notice. The remuneration to Managing Director has been approved by the Remuneration Committee & Board of Directors in the meetings held on November 07, 2014.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	In view of the size of the Company, the qualification and experience of Mr. Umesh Talwar and the profile being handled by him, the remuneration as mentioned above is on the lower side as compared to the remuneration being paid to managerial positions in other Companies in the industry.
Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Besides, the remuneration proposed, Mr. Umesh Talwar does not have any other pecuniary relationship with the Company. However Mr. Umesh Talwar is related to Mr. Naresh Talwar being his brother and Mr. Anuj Talwar being his father.
Other information:	
Reason for loss or inadequacy of profits	Due to slowdown of economy and partially due to slump sale of Stamping and Rubber business to two separate joint ventures Companies.
Steps taken or proposed to be taken for improvement	<p>To over come the present economic situation the Company has, interalia, taken following steps:</p> <ul style="list-style-type: none"> • The Company is exploring new markets/buyers in the international markets to increase the export sale. • The Company is concentrating on the replacement market sale and has introduced new marketing strategies to it further. • The Company has taken various initiatives to save on the cost so as to improve the profit margin. • The Company has taken major technology initiatives at Gasket Division. <ul style="list-style-type: none"> – First being setting up of a dedicated line for manufacturing Heat Shield adopting latest technology acquired through Sanwa Packaging Co. Ltd. Japan, a leading worldwide manufacturer of Heat Shields. – Second initiative involves setting up of a Post-Coating facilities based on latest global technology acquired

	through Sanwa Packaging Co. Ltd., Japan. This facility will enhance company's cost competitiveness and pave way for entry into new products/segments.
Expected increase in productivity and profits	Expected to be achieved through: <ul style="list-style-type: none"> • Growth in OE Exports in Gasket business. • Improved market penetration in Replacement market. • Widening exports customer base in Forging business.

DISCLOSURES

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

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

Place: Gurgaon

Date: 7th November, 2014

Sd/-

**Seema Narang
Company Secretary**

Registered Office:

14/1, Delhi Mathura Road,
Faridabad – 121003, Haryana
CIN: L29199HR1956PLC033107

Instructions and other information relating to voting in physical form/ e-voting are as under:

The shareholder(s) can opt only one mode of voting i.e. either by e- voting or physical mode. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. However, in case shareholders cast their vote by physical ballot and e- voting, then voting done through e- voting will prevail and voting done through postal ballot will be treated as invalid.

Voting in Physical form:

1. A member/beneficial owner desiring to exercise vote by postal ballot may complete the Postal Ballot Form and send it to the Company in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expense of the registered member/beneficial owner will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Postal Ballot Form should be completed and signed by the member/ beneficial owner. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the Company) by the first named member/beneficial owner and in his absence, by the next named member/ beneficial owner. There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
4. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (√) in the appropriate column. The assent or dissent received in any other Form shall not be considered valid.
5. Incomplete, unsigned or incorrectly ticked Postal Ballot Form will be rejected.
6. In case of shares held by companies, trust, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/ Authority, authorising the signatory to execute and sign the Postal Ballot Form. Further, where the form has been signed by a representative of the President of India or Governor of State, certified copy of the nomination should accompany the Postal Ballot Form.
7. Duly completed Postal Ballot Form should reach the Company or the Scrutinizer not later than the close of working hours i.e. 5.00 pm on 4th February, 2015. All Postal Ballot Forms received after this date will be strictly treated as if the reply from the member/beneficial owner has not been received.

8. Members/ beneficial owners are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as the envelope will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer. Members/ beneficial owners are also requested not to write anything on the Postal Ballot Form except giving their assent or dissent and affixing their signatures.
9. A member may request for duplicate postal ballot form, if so required. However, the duly filled in and signed duplicate postal ballot form should reach the Scrutinizer not later than the date specified in point no. (8) above.
10. Postal Ballot Forms received by fax will be rejected as if reply from the shareholder has not been received unless the original postal ballot form is received within prescribed time period.
11. The Scrutinizer's declaration on the validity of a Postal Ballot Form will be final.

Voting in Electronic Form:

The Company offers e-voting facility to its members enabling them to cast their vote electronically.

The instructions for shareholders for e-voting are as under:

Process and manner for members opting for e-voting is as under:

- A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and password mentioned overleaf). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password.

The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and

answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the E-Voting Event Number for Talbros Automotive Components Limited.

vii. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

ix. You may then cast your vote by selecting an appropriate option and click on "Submit".

x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.

xi. The e- voting period commences on 6th January, 2015 (Tuesday) 09.00 a.m. and ends on 4th February, 2015 (Wednesday) 05.00 p.m. During this period, members of the company holding shares either in physical form or in dematerialized form, as on the record date i.e. 19th December, 2014, may cast their vote electronically. The e- voting module shall be disabled by Karvy Computershare Pvt Ltd for voting thereafter. Once the vote on a resolution is cast by a member, he or she will not be allowed to change it subsequently.

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: kiransharma.co@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B. In case a Member receives physical copy of the Postal Ballot Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:

- i. User ID and initial password as provided overleaf.
 - ii. Please follow all steps from Sr.No. (i) to (xi) as mentioned in (A) above, to cast your vote.
- C. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- D. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- E. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Friday, December 19, 2014.
- F. The Board of Directors has appointed Mrs. Kiran Sharma, a Practicing Company Secretary, New Delhi as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

TALBROS AUTOMOTIVE COMPONENTS LIMITED

CIN: L29199HR1956PLC033107

Regd. Office: 14/1, Delhi Mathura Road, Faridabad-121003, Haryana

Website: www.talbros.com, Email: shares@talbros.com

Tel: 0129 4294182, Fax: 0129 2277240

Sl. No.

POSTAL BALLOT FORM

1.	Name(s) of Shareholder(s) (in block letters) (Including joint holders, if any)	
2.	Registered address of the sole/first named Shareholder	
3.	Registered Folio No. /DP. ID No. & Client ID No.* (*Applicable to investors holding shares in dematerialized form)	
4.	Number of shares held	

I/We hereby exercise my/our vote in respect of the following Resolution to be passed through Postal Ballot for the business stated in the Notice dated 7th November, 2014 of the Company by sending my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate boxes below:

Item No.	Description (nature of resolution)	No. of Shares	I/We assent to the resolution	I/We dissent to the resolution
1.	Re-appointment of Mr. Umesh Talwar as Vice-Chairman & Managing Director for a period of 3 years w.e.f 1st April, 2015 and fixation of his remuneration.			

Place:

Date:

Signature of Member/beneficial owner

ELECTRONIC VOTING PARTICULARS

EVSN (e-voting sequence number)	USER ID	PASSWORD/PIN

The e voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
From 9.00 a.m. (IST) on January 6, 2015	Up to 5.00 p.m. (IST) on February 4, 2015

Note: Please read carefully the Notes/Instructions printed overleaf before exercising the vote.