



Talbro's Automotive
Components Ltd.

www.talbro's.com

Date: August 14, 2014

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
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Company Code: 505160 / TALBROAUTO

Sub: Intimation pursuant to clause 36

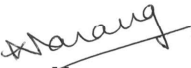
Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company has in its meeting held today, on 14th August, 2014 resolved that operations at Chennai Plant of Gasket Division of the Company at 22-B, Sidco Industrial Estate, Ambattur, Chennai- 600098 be discontinued and the manufacturing activity be stopped immediately not later than 16th August 2014. Consequent to the stoppage of manufacturing activity forthwith at Chennai Plant, the entire workforce at the Chennai plant would become redundant and would no longer be required and be relieved of its duties and discharged from service and appropriate compensation as payable in law be paid to the workforce.

The Board also decided that the closure of the plant should be brought about after the issuance of statutory notice and period thereof.

Thanking you,

Yours Sincerely
For Talbro's Automotive Components Limited


Seema Narang
Company Secretary



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Date : 14 August 2014

The Deputy General Manager Bombay Stock Exchange Limited Corporate Relations Department P J Towers, Dalal Street, Mumbai - 1 Company Code No.505160	The National Stock Exchange of India Ltd. Exchange Plaza, BandraKurla Complex Bandra (East), Mumbai - 51 Company Code No.TALBROAUTO
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Dear Sir/Madam,

Re: Intimation under Clause 36 of the listing agreement

Sub: Closure of operations and stoppage of manufacturing activity at the Chennai Facility due to Consolidation of Manufacturing Operations with effect from 16th August 2014

Please find attached here with the release post Q1 FY15 results.

The release contains our results and the decision of the Board of Directors to Closure of operations and stoppage of manufacturing activity at the Chennai Facility due to Consolidation of Manufacturing Operations with effect from 16th August 2014

This information is to public at large.

Thanking you,

Yours faithfully,
For Talbro's Automotive Components Ltd.

Navin Juneja
Director & Group CFO



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Business Divisions:

Gasket Division: The performance of the Gasket Division was encouraging as EBITDA margin improved despite lower topline. With a healthy order book for Q2 and beyond, the Division is poised to improve its performance further.

Forging Division: Cost pressures such as increased Power cost and Steel prices continue to affect the bottom-line. The absence of substantial recovery in Europe, the expected upturn in Export orders is yet to materialize.

Joint Ventures

Leakless Talbro's Pvt. Limited (LTL) : Witnessed substantial growth with Topline growth of 17% and Bottom-line growth of 78%, based on strong growth of its major customers HMSI and HMC. LTL continues to remain the preferred / sole supplier to these customers.

Magnetti Marielli Talbro's Pvt. Limited

Recently business of another key product line namely, Knuckles, started with Maruti Suzuki. The process of building a strong product portfolio remains on course.

Talbro's Marugo Rubber Pvt. Ltd.

Besides the Anti-vibration products, inter-cooler Hose Project is on schedule and is expected to get completed by Q3 FY15.

Closure of operations and stoppage of manufacturing activity at Chennai Facility due to Consolidation in Manufacturing Operations with immediate effect not later than 16th August 2014

The Company has been making investments in production facilities at Sitarganj, Pune and Faridabad. The company has decided to consolidate its manufacturing operations at these locations by closing of its Chennai plant due to decline in overall commercial viability. Currently the Chennai plant contributes less than 5% of the Gasket Division Sales of the Company.

The Chennai plant is an old plant established in early 70's and catered to the OE customers based in south and the replacement market. Over the years the OE customers have moved to other states like Uttarakhand with tax advantage and the share of replacement market has also become insignificant. Servicing the existing clients from Chennai plant would lead to very high costs on transportation and taxation. The shrinking business from OE Customers leads to huge under absorption of fixed overheads leading to huge losses. Therefore, the plant is unviable.

To be competitive, the Company needs to optimize its production and capacity utilization, service clients from closer locations to OEs and optimize Tax Structure. In view of the same, closure of Chennai Plant is a logical step. The recurring savings out of the closure of Chennai plant will be significant even after meeting the initial one-time settlement costs.

Commenting on the Consolidation Mr. Umesh Talwar, Vice Chairman & MD said: "We have a compelling business need to better align our assets to utilize its available capacity and investments for improving overall profitability. To that end, we are taking action to ensure our manufacturing network is operating the right number of plants and production lines – in the right locations – to better meet current and future production needs and the evolving needs of our customers. While we are confident that the automotive industry will prosper over the longer term, we must consolidate our automotive business to effectively utilize the existing capacity, remain competitive and aim at a profitable growth."



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About Talbro's Automotive Components Ltd:

Talbro's Automotive Components Ltd., the flagship manufacturing company of the Talbro's Group was established in the year 1956 to manufacture Automotive & Industrial Gaskets in collaboration with Coopers Payen of UK. Today TAL stands proud and tall as a mother brand of gaskets, and forgings, while remaining invested in key joint venture for sheet metal chassis components Anti-vibration products and inter-cooler hoses in India..

TAL together with JV alliances has 9 manufacturing facilities at Haryana, Uttarakhand, Maharashtra, Tamil Nadu and R&D technology centers in Faridabad. The facilities are equipped to design, develop and manufacture products as per customer requirements competitively.

The company has technical collaborations with Nippon Leakless Corporation – Japan and Sanwa Packaging – Japan.

Few of the marquee customers includes Bajaj Auto, Tata Cummins, Volvo Eicher India, Ashok Leyland, Escorts Group, Force Motors, Hero Motocorp, Honda, Hyundai, John Deere, Mahindra & Mahindra, Maruti Suzuki, Suzuki, TAFE, Daimler India, Tata Motors, Simpsons, Carraro, Dana, Musashi, Spicer and QH Talbro's. Besides a robust distribution network in the aftermarket.

For more information please contact / visit www.talbro's.com

Talbro's Automotive Components Ltd.

CIN: L29199HR1956PLC033107

Mr. Navin Juneja – Director & Group CFO

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Strategic Growth Advisors Private Limited

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Safe harbor Statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.