

JBM Auto Limited

Registered Office: 601, Hemkunt Chambers
89, Nehru Place, New Delhi - 110 019
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NOTICE OF THE POSTAL BALLOT (Pursuant to section 110 of the Companies Act, 2013)

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014 that the Company is seeking consent of its members for the below mentioned resolutions by way of Postal Ballot which includes voting by electronic means. The Explanatory Statement pertaining to the resolutions proposed in this notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

The Company has appointed Mr. Dhananjay Shukla, M/s. Dhananjay Shukla & Associate, Company Secretaries, Gurgaon as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the Company’s Registered Office at 601, Hemkunt Chamber, 89, Nehru Place, New Delhi - 110019 on or before 06.00 P.M. on 09.01.2015. The Scrutinizer after completion of the scrutiny will submit his report to the Chairman of the Company. Thereafter, the results of the postal ballot will be declared by the Chairman at the Registered Office of the Company. The results will also be posted on the website of the Company i.e. www.jbm-group.com. The results shall be intimated to the Stock Exchanges where the shares of the Company are listed and through press release in newspapers. The Company is pleased to provide e-voting facility to the Shareholders for transacting the business at the above said Postal Ballot. Members holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st November, 2014, may cast their vote electronically on the Business(ies) as set out in the Notice of the Postal Ballot through electronic voting system of The National Securities Depository Limited (NSDL).

The Resolutions, if approved, will be taken as passed effectively on the date of declaration of the results.

ITEM NO. 1

POWER TO BORROW MONEY

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

“**RESOLVED THAT** in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on 6th September, 2008 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”) and provisions of the Articles of Association of the Company, the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorized to borrow any sum or sums of money,

in Indian Rupees and / or in foreign currency from time to time, at its discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs.500 Crore (Rupees Five Hundred Crore only)".

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute such agreements, undertakings and other documents and to do all such acts, deeds and things as may be necessary for giving effect to this resolution."

ITEM NO. 2

CREATION OF CHARGE / MORTGAGE OF ASSETS OF THE COMPANY

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

"RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on 6th September, 2008 and pursuant to Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules, if any, made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act") and any other applicable laws and the provisions of the Articles of Association of the Company, Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to mortgage and / or charge, in addition to the mortgages / charges created / to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may in its absolute discretion determine, on all or any of the moveable and / or immovable properties of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, in favour of the Lender(s), Agent(s) and other bodies, to secure the borrowings of the Company, availed / to be availed by way of loan(s) (in Indian Rupee and/or in foreign currency) and/or securities (comprising fully/ partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) and all other applicable provisions, if any, of the Act, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Deed(s) and Agreement(s) / Debenture Trust Deed(s) or any other document, entered into /to be entered into between the Company and the Lender(s) / Agent(s) and Trustee(s), in respect of the said loans / borrowings/ securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s) as the case may be.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents / deeds / writings/ papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid."

ITEM NO. 3

APPROVAL FOR GIVING LOAN / GUARANTEE OR PROVIDING SECURITY AND ACQUISITION OF SECURITIES OF OTHER BODY CORPORATE

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

"RESOLVED THAT pursuant to the provisions of Section 186(3) and other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such approvals, consents, sanctions and permissions, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) to (a) give any loan to any Body(ies)Corporate/person(s); (b) give any guarantee or provide security in connection with a loan to any Body(ies)Corporate/person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body(ies)Corporate exceeding (i) 60% of the aggregate of the paid-up share capital and free reserves and securities premium account; or (ii) 100% of its free reserves and securities premium account, whichever is higher, on such terms and conditions, as the Board may think fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining the approvals, Statutory, Contractual or otherwise, in relation to such investment, to settle all the matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required to be signed on behalf of the Company, in connection with such investment and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

ITEM NO. 4

ISSUE OF SECURITIES

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

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable rules there under (the "Companies Act") , and subject to and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") (including any statutory modification or re-enactment thereof, for the time being in force), the Listing Agreements entered into with the respective stock exchanges where the shares of the Company are listed (the "Stock Exchanges"), the provisions of the Foreign Exchange Management Act, 1999, as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a

Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies (the "ROC"), the Stock Exchanges, and/ or any other competent authorities and subject to any required approvals, consents, permissions and/or sanctions of the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce & Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance), the SEBI, the ROC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and /or sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) to create, issue, offer and allot (including with provisions for reservation on firm and /or competitive basis, of such part of issue and for such categories of persons including employees of the Company, as may be permitted), either in India or in the course of international offering(s) in one or more foreign markets, equity shares of the Company, global depository receipts ("GDR"), American depository receipts ("ADR") foreign currency convertible bonds ("FCCB") and/or other financial instruments convertible into or exercisable for Equity Shares (including warrants, or otherwise, in registered or bearer form), Non-convertible preference shares, compulsorily convertible preference shares, optionally convertible preference shares, fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/or any security convertible into Equity Shares with or without voting / special rights and/ or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as the "Securities") or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, through public offerings and/or private placement and/or on preferential allotment basis or any combination thereof or by issue of prospectus and/or placement document and/ or other permissible / requisite offer document to any eligible person(s), including but not limited to qualified institutional buyers in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign institutional investors, foreign portfolio investors, Indian and /or bilateral and/or multilateral financial institutions, non-resident Indians, stabilizing agents, state industrial development corporations, insurance companies, provident funds, pension funds and / or any other categories of investors whether or not such investors are members of the Company (collectively referred to as the "**Investors**"), as may be decided by the Board at its discretion and permitted under applicable laws and regulations for an aggregate amount not exceeding Rs.500 Crore (Rupees Five Hundred Crore only) or equivalent thereof in any foreign currency, inclusive of such premium as may be fixed on such Securities at such a time or times, in such a manner and on such terms and conditions including security, rate of interest, discount (as permitted under applicable law) etc., as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/ or the underwriter(s) and/or other advisor(s) for such issue.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of passing of the shareholders’ resolution for approving the above said issue of Securities or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations, provided that the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on such price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event that the Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities are entitled to apply for Equity Shares or such other time as may be decided by the Board or permitted by the SEBI ICDR Regulations, subject to any relevant provisions of applicable laws, rules, regulations as amended from time to time, in relation to the proposed issue of the Specified Securities.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of any other Securities shall be as per the regulations/guidelines prescribed by the SEBI, the Ministry of Finance, the RBI, the GOI through their various departments, or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

- a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to the applicable laws, rules, regulations and guidelines and subject to the approvals, consents and permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approvals, consents or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any

Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking *pari passu* with the existing Equity Shares in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolutions described above, the Board or Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/ charge in accordance with the provisions of the Companies Act in respect of any Securities as may be required either on *pari passu* basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the ROC, the lead managers, or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, and that all or any of the powers conferred on the Company and the Board vide this Resolution may be exercised by the Board or Committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorized to engage / appoint the lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more national and/ or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any whole-time Director or directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.”

By Order of the Board of Directors
For **JBM Auto Limited**

Sd/-
(Vivek Gupta)
Chief Financial Officer
& Company Secretary

Place : New Delhi
Date : 13.11.2014

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The notice of Postal Ballot is being sent to all the members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, 21st November, 2014 (cut-off date).
3. The Board of Directors have appointed Mr. Dhananjay Shukla, M/s. Dhananjay Shukla & Associate, Company Secretaries as Scrutinizer for conducting postal ballot voting process in a fair and transparent manner.
4. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rules made there under and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility for its Members of the Company to enable them to cast their votes on the resolutions electronically. **Kindly note that the Members can opt for only one mode of voting, i.e. either by physical postal ballot or e-voting. If you are opting for e-voting, then do not vote by physical postal ballot also and vice versa. In case Members cast their vote by both physical postal ballot and e-voting, it may be noted that votes cast by them through valid physical postal ballot shall prevail and votes cast by e-voting will be treated as invalid.** The National Securities Depository Limited (NSDL) will be facilitating e-voting to enable the members to cast their votes electronically.
5. **Voting through electronic means**
 - I. In compliance of the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members, the facility to exercise their right to vote in Postal Ballot process by electronic means and the business may be transacted through e-Voting Services provided by the National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open e-mail and open PDF file viz; "JBMA e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on "Shareholder – Login"
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of JBM Auto Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at dshukla.fcs1@gmail.com or evoting@jbm.co.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of Postal Ballot [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is being sent separately in the format given below:

EVEN (E- Voting Event Number)	USERID
PASSWORD/PIN	
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://www.evoting.nsdl.com> or contact NSDL at the Telephone No. 022-24994600.
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Thursday, 11th December, 2014 at 9:00 a.m. and ends on Friday, 9th January, 2015 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-

off date i.e. 21st November, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date mentioned above.
 - VII. Mr. Dhananjay Shukla of M/s Dhananjay Shukla & Associates, Company Secretaries (FCS 5886) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. Members are requested to carefully read the instructions given in the enclosed Postal Ballot Form. Postal Ballot Form duly completed with the assent (for) or dissent (against), and signed should be returned directly to the Scrutinizer so as to reach the Scrutinizer not later than close of working hours i.e. 6:00 p.m. on Friday, 9th January, 2015 to be eligible for being considered, failing which, it will be treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman appointed by the Board after completion of the scrutiny and the results of postal ballot will be announced on Monday, 12th January, 2015, at the Registered Office of the Company at 601, Hemkunt Chambers, 89, Nehru Place, New Delhi – 110019.
 7. The resolutions shall be taken as passed effectively on the date of declaration of the result. The result of the Postal Ballot will be posted on the website of the Company at www.jbm-group.com.
 8. Notice of Postal Ballot along with Postal Ballot Form containing the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose email ID's are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email addresses, physical copies of the same are being sent through the permitted mode.
 9. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on Friday, 21st November, 2014 (cut-off date). Members can vote for their entire voting rights as per their discretion.
 10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday between 11:00 a.m. and 1:00 p.m. up to Friday, 9th January, 2015.
 11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the correspondence(s) and other communication(s) from the Company electronically.

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

ITEM NOS. 1 & 2

The Members by way of an **Ordinary Resolution** at the Annual General Meeting held on September 6, 2008 had, inter alia, authorized the Board to borrow up to Rs. 500 crore exceeding the aggregate of the then paid up capital of the Company and its free reserves and inter alia, authorized the Board to secure its borrowing by mortgage / charge on any of the movable and / or immovable properties and / or the whole or any part of the undertaking(s) of the Company.

Provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 read with the Rules, if any, made there under ("the Act") provide that the Company shall not, except with the consent of members by **Special Resolution** borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves, and sell, lease or otherwise dispose-off whole or substantially the whole of the undertaking of the company.

Accordingly, the consent of the members is being sought by way of a **Special Resolution** as set out in Item Nos. 1 and 2 of the accompanying Notice. These resolutions enable the Board of Directors of the Company to borrow money (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) which may at any time exceed the paid up share capital of the Company and its free reserves but not exceeding Rs. 500 Crore and also to secure the same by creating mortgage/charge on whole or substantially the whole of the undertaking of the Company.

The Board recommends the Special Resolutions set out at Item Nos. 1 and 2 of the accompanying notice for the approval of the members.

None of the Directors, Manager and Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions, except to the extent of their equity share holdings in the Company.

ITEM NO. 3

As per the provisions of Section 186 of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company can give loan or guarantee, provide security in connection with a loan and to acquire securities of other body corporate exceeding (i) Sixty per cent of the aggregate of the paid-up capital, free reserves and securities premium account, or (ii) One Hundred per cent of the free reserves and securities premium account of the Company, whichever is more, provided the same is approved by means of a special resolution by the shareholders of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, the approval of shareholders is being sought, pursuant to the provisions of Section 186 of the Act to give powers to the Board of Directors or duly constituted committee thereof, to give loan or guarantee, provide security in connection with a loan and to acquire securities of the other body corporate exceeding the limits given under section 186(3) of the Act.

The loan or guarantee, security(ies) and the investment, as the case may be, will be made in accordance with the provisions of the Act and the rules made there under. These investments are proposed to be made out of its own funds / internal accruals or any other sources to achieve long term strategic and business objectives.

The Board of Directors of the Company recommend the Special Resolution set out at Item No. 3 of the accompanying Notice for approval of the members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution except to the extent of shareholding in the Company.

ITEM NO. 4

Your Directors draw your attention to the fact that in order to facilitate and meet capital expenditure needs of the existing projects and also future opportunities which the Company may participate, capital requirements of its subsidiaries and to meet any exigencies etc. it is proposed to create, offer, follow on offer, issue and allot securities as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board/ Committee at its discretion including the discretion to determine the categories of allottees to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board/ Committee, in any convertible foreign currency, as the Board/ Committee at its absolute discretion may deem fit and appropriate. The Company intends to issue securities for aggregate amount not more than Rs. 500 Crores or its equivalent in one or more foreign currencies.

This Special Resolution enables the Board of Directors/ Committee to undertake a Qualified Institutions Placement with Qualified Institutional Buyers as per SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2009, amended from time to time ("ICDR Regulations"). The Board of Directors/ Committee may adopt this mechanism, as prescribed under Chapter VIII of the ICDR Regulations in order to facilitate and meet capital expenditure needs of the existing /future projects of the Company, its subsidiaries and to meet any exigencies etc. without the need for fresh approval from the shareholders.

Basis or Justification of Price: The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the ICDR Regulations shall be determined by the Board subject to such a price not being less than the price calculated in accordance with the ICDR Regulations.

The Special Resolution also enables the Board/ Committee to issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, bodies incorporated and/or individuals or otherwise as the Board/ Committee deem fit. The Company with this resolution intends to retain the right and flexibility to issue securities including but not limited to GDRs, ADRs, FCCBs and Equity Shares. The Company may, in accordance with applicable laws, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee thereof decides to open the Qualified Institutions Placement for subscription.

The detailed terms and conditions for the offer will be determined by the Board/ Committee in consultation with the Lead Managers and such other authorities as may be required considering the market conditions and in accordance with the applicable provisions of law. The Equity Shares allotted or arising out of conversion of any Securities will be listed on recognized stock exchanges subject to the availability of regulatory approvals.

Section 62 of the Companies Act, 2013 and the provisions of Listing Agreements entered into with the stock exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares may be offered to the person other than members of the Company, if authorized by the members pursuant to a special resolution. The special resolutions seek the consent and authorization of the members to the Board/ Committee to make the proposed issue of Securities, in consultation with the lead managers, advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the prevailing market conditions and in accordance with the applicable rules & regulations or guidelines.

The Board of Directors of the Company recommend the Resolution as set out at Item No. 4 of the accompanying Notice for approval of the members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

By Order of the Board of Directors
For **JBM Auto Limited**

Sd/-
(Vivek Gupta)
Chief Financial Officer
& Company Secretary

Place : New Delhi
Date : 13.11.2014