



SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)

Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020

Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676

Email: investorrelations@shardamotor.com Website: www.shardamotor.com

POSTAL BALLOT NOTICE

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and further amendments made thereunder

To

The Member(s)

NOTICE is hereby given that pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with Rule 20 and 22 of Companies (Management and Administration) Rules 2014, as amended from time to time including any statutory modification or re-enactment thereof for the time being in force, read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations, if any, that the Company is seeking consent from its members for the below mentioned resolution by way of Postal Ballot which includes voting by electronic means. The Explanatory Statement pertaining to the resolution proposed in this notice setting out all material facts and reasons thereof along with Postal Ballot Form is annexed herewith.

Special Business:

To approve Related Party Transaction with Relan Industrial Finance Limited

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 Section 188 and other applicable provisions of Companies Act, 2013 (“the Act”) read with rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof), approval of the Members of the Company be and is hereby accorded for related party transaction(s) hitherto entered/ to be entered with Relan Industrial Finance Limited for investing the funds of the Company in capital market services including equity shares, preference shares, Debentures (whether convertible or non-convertible), various schemes of mutual funds (viz. cash plans or liquid mutual funds etc.) or such other funds or any other financial instruments of one or more Body Corporate(s) subject to a maximum amount of Rs. 50 Crores per transaction and remaining outstanding transaction(s) amount at any point of time shall not exceed Rs. 300 Crores during any one financial year.

“**RESOLVED FURTHER THAT** the Board of directors be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.”

By order of the Board

FOR SHARDA MOTOR INDUSTRIES LIMITED

Nitin Vishnoi

Company Secretary

FCS3632

D-188, Okhla Industrial Area

Phase-I, New Delhi-110020

Date : 07th March, 2016

Place : New Delhi

Notes:

- (1) An explanatory statement pursuant to the provisions of section 102 of the Companies Act, 2013 setting out all the material facts and reasons for the proposed resolution is appended herein below.
- (2) Voting rights are reckoned on the basis of the shares registered in the name of Members/Beneficial owners as on cutoff date 18th March, 2016.
- (3) Mr. Vineet K Chaudhary, Practicing Company Secretary (FCS No. 5327) has been appointed as Scrutinizer for conducting the postal ballot and e-voting process in accordance with the Companies Act, 2013 and the Rules made there under and in a fair and transparent manner.
- (4) As per section 110 of the Act, read with Rule 20 & 22 of the Companies (Management and Administration) Rules 2014, as amended from time to time, Notice of the Postal Ballot may be served on the members through electronic means, or by registered post/speed post or through courier service. Accordingly, Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with the Postal Ballot Form by permitted mode.

- (5) The Postal Ballot Notice 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 close of business hours on 18th March, 2016. A person who ceases to be a member as on cut-off date i.e. 18th March, 2016 should treat this notice for information purpose only. A member cannot exercise his/ her vote by proxy on Postal Ballot.
- (6) A Postal Ballot Form and a postage prepaid self-addressed business reply envelope are attached to this Notice. The self-addressed envelope bears the address to which duly completed Postal Ballot Form is to be sent.
- (7) The Notice of Postal Ballot is also placed on the website of the Company, www.shardamotor.com and on the website of CDSL, www.evotingindia.com.
- (8) In compliance with the provisions of Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with the relevant rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility as an alternate, for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. The instructions for voting are mentioned in the Postal Ballot Notice. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to the members.
- (9) The e-voting period commences on 23rd March, 2016 (10:00 A.M. IST) and ends on 21st April, 2016 (05:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of 18th March, 2016, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- (10) The documents referred to in the Notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office of the Company between 11:00 A.M. to 1:00 P.M. on all working days i.e Monday to Friday, till 21st April, 2016.
- (11) The Members who do not receive the Postal Ballot Notice and Form may apply to the Company at investorrelations@shardamotor.com to receive the duplicate thereof.
- (12) Members who do not have access to e-voting facility may send duly completed Ballot Form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Vineet K. Chaudhary, a Practicing Company Secretary (Membership No. FCS 5327), at the Registered Office of the Company not later than Thursday, 21st April, 2016, 05:00 P.M. (IST).
- (13) The members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form, and record their assent (for) or dissent (against) to the items so listed, by returning the same duly completed and signed in the attached postage pre-paid self- addressed envelope. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given thereon. The duly completed Postal Ballot Form(s) should reach the Scrutinizer on or before 05:00 P.M. IST of 21st April, 2016 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member(s).
- (14) The Scrutinizer's decision on the validity of the Postal Ballot shall be final. He will submit his report on the results of the voting by Postal Ballot and e-voting to the Chairman of the Company on 22nd April, 2016.
- (15) The final results of the voting by Postal Ballot will be declared by the Chairman or Co-Chairman of the Company, at the registered office of the Company on Friday, 22nd April, 2016 on or before 05:00 P.M. (IST), along with details of the number of votes cast for and against the Resolution, invalid votes. The results of the Postal Ballot with details of the number of votes cast for and against the Resolution, invalid votes and whether the Resolution has been carried or not, along with Scrutinizer Report will be posted on the website of the Company www.shardamotor.com and shall be intimated to the Stock Exchanges on which the shares of the Company are listed.
- (16) The results of the Postal Ballot shall also be published in the newspapers. The Resolution, if passed by requisite majority, will be deemed to have been passed on the last date specified by the company for receipt of duly completed postal ballot forms or e-voting.
- (17) A member cannot vote both by post and e-voting and if he votes both by post and e-voting, his vote by post shall be treated as invalid.

THE INSTRUCTIONS FOR E-VOTING ARE AS UNDER:

- a) In case of members receiving e-mail from CDSL:
 - (i) Log on to the e-voting website www.evotingindia.com.
 - (ii) Click on "Shareholders" tab.
 - (iii) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used.
 - (v) If you are a first time user follow the steps given below.

	For Members holding shares in Demat and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number for physical shareholder and client id for demat account shareholder in the PAN field. In case the physical folio number is less than 8 digits enter the applicable number of zeros(0s) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ram Kumar Jain with folio no. 48 then enter RA00000048 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “Resolutions File Link” if you wish to view the entire resolution.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- b) In case of members receiving the physical copy of the Notice of Postal Ballot (for members whose email addresses are not registered with the Company/Depository):
- Please follow all steps from sl. no. (i) to (xvi) above to cast vote.
- c) In case of any queries/ grievances, you may refer the FAQs for members and remote e-voting user manual for members available at www.evotingindia.com under help section. For any further grievances related to e-voting members may write to Mr. Wenceslaus Furtado, Deputy Manager, CDSL, 16th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001 or telephone at 18002005533 or email at helpdesk.evoting@cdslindia.com. Members may also write to the Company at the aforementioned address or email at investorrelations@shardamotor.com.

Explanatory Statement

Sharda Motor Industries Limited (hereinafter called as "SMIL") is a public limited company engaged in the business of manufacturing and assembling of Auto Components and White Goods Components.

Relan Industrial Finance Limited (hereinafter called as "RIFL"), a related party of SMIL, is a SEBI registered stock broker, engaged in the activities of capital market services including mutual funds, shares and other financial instruments.

With a view of optimum utilization of surplus funds of the SMIL available for short term, SMIL invests these funds in the various short term plans available in the financial market like cash plans, liquid plans of mutual funds and other similar type of plans. RIFL being a SEBI registered stock broker, SMIL invests these funds through RIFL. These transactions will be done as and when SMIL has surplus funds lying with it during the year.

The provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 exempts the prescribed transaction(s) entered into by a company with its' related party (ies), in the ordinary course of business and done on arm's length basis, from the requirement of approval of the shareholders.

However, as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") all material related party transactions require shareholders' approval and a transaction with related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company. Since the said transaction(s) is/ are material in nature, if taken together, during a financial year, in terms of provisions of Listing Regulations thus require the approval of the shareholders through resolution and all related parties shall abstain from voting on the said resolution.

Therefore, keeping in view the intent of Companies Act, 2013, Listing Regulations and for better Corporate Governance, the Company seeks approval of the shareholders for the transaction(s)/ arrangement(s) entered into with RIFL.

The key details regarding the transaction(s)/arrangement(s) and disclosures as required under Rule 15 of the Companies (Meetings of Board and its powers) Rules, 2014 are given below for perusal:

DETAILS OF TRANSACTION(S)/ ARRANGEMENT(S)				
1.	Name of Related Party	Relan Industrial Finance Limited		
2.	Nature of Relationship	Associate Company		
3.	Name of Directors or key managerial personnel who is related, if any	Name of the Directors	Designation in the Company	Nature of interest or concern
		Shri N.D. Relan	Co-Chairman	Director and member
		Shri Ajay Relan	Managing Director & CEO	Director and member
		Smt. Sharda Relan	Director	Director and member
		Shri Rohit Relan	Director	Director and member
4.	Nature, material terms, monetary value and particulars of the said contract or arrangement	SMIL avails stock broking services from RIFL for investing the funds of SMIL in capital market like shares, debentures, mutual funds (liquid, cash etc.) or any other financial instruments according to the instructions of SMIL. Funds invested through RIFL shall be subject to a maximum limit of Rs. 50 Crores per transaction, However remaining outstanding amount at any point of time shall not exceed Rs. 300 Crores during any one financial year.		

In terms of Section 188 of the Companies Act, 2013, Shri N.D. Relan, Co-Chairman, Shri Ajay Relan, Managing Director & CEO, Smt. Sharda Relan and Shri Rohit Relan, Directors of the Company and their relatives shall be deemed to be interested in this resolution.

The Board recommends the resolution for approval of the Members. Also, the Members are further informed that no related party shall be entitled to vote on this resolution.

By order of the Board
For Sharda Motor Industries Limited

Nitin Vishnoi
Company Secretary
FCS3632

Date : 07th March, 2016
Place : New Delhi

D-188, Okhla Industrial Area
Phase-I, New Delhi-110020



SHARDA MOTOR INDUSTRIES LIMITED

(CIN: L74899DL1986PLC023202)

Registered Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020

Tel.: +91 11 4733 4100 Fax: +91 11 2681 1676

Email: investorrelations@shardamotor.com Website: www.shardamotor.com

POSTAL BALLOT FORM

(To be returned to the scrutinizer appointed by Company)

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 members holding shares in dematerialized form)	
4	No. of share(s) held	
5	Class of shares	Equity Shares

I/We hereby exercise my/our vote in respect of Ordinary Resolution enumerated below by recording my/our assent or dissent to the said resolution in the following manner:

S. No.	Description	No. of shares	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
1.	To approve Related Party Transaction with Relan Industrial Finance Limited			

Place :

Date :

Signature

ELECTRONIC VOTING PARTICULARS

E-voting Sequence No. (EVSN)	USER ID (16 digits demat Account/ Folio No.)	Password

INSTRUCTIONS

Instruction for Physical Voting:

- (i) A Shareholder desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if deposited in person or sent by courier at the expense of the Registered Shareholder will also be accepted.
- (ii) This postal ballot form should be completed and signed by the Shareholder as per the specimen signature recorded with the Company/Depository Participant. In case of joint holding, this Form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder. Unsigned postal ballot forms will be rejected.
- (iii) In case of Shares held by Companies, Trusts, Societies, etc, the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization.
- (iv) A shareholder need not use all his votes nor he need to cast all his votes in the same way.
- (v) Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours (i.e. 5.00 P.M. IST) on 21st April, 2016. Any postal ballot form received after this date will be treated as if the reply from the shareholder has not been received.
- (vi) A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at the item no. (V) above.
- (vii) Voting Rights shall be reckoned on the paid up value of the Shares registered in the name of the Shareholder as on the cut-off date i.e. 18th March, 2016.
- (viii) Shareholders are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot form, except giving their assent or dissent and putting their signature. If any such paper is sent the same will be destroyed by the Scrutinizer.
- (ix) Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
- (x) The Postal Ballot shall not be exercised by Proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization.
- (xi) The Scrutinizer will submit his consolidated report of Postal Ballot and e-voting process to the Chairman/ Co-Chairman after completion of the scrutiny of the Postal Ballot Forms. The results will be announced on Friday, 22nd April, 2016, on or before 05:00 P.M. (IST) at the Registered Office of the Company and also be placed on the website of the Company.
- (xii) Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to the Company Secretary at the Registered Office of the Company or by email at investorrelations@shardamotor.com.
- (xiii) Shareholders who have not registered their email IDs are requested to register the same with the Company, in case of shares held in physical form and with their respective Depository Participants, in case of share held in dematerialized/ electronic form.