



Sharda Motor Industries Ltd.

SMIL: BSE/NSE: 18-19/2108-01

21st August, 2018

BSE Limited
Department of Corporate Services
Pheroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
(SCRIP CODE - 535602)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra - Kurla Complex, Mumbai - 400 051
(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam

In the matter of Company Petition 'CP No. 242 (ND)/2017' filed with National Company Law Tribunal, Delhi ('NCLT'), and in continuation of our previous intimations in this regard, please find enclosed herewith a copy of the interim order passed by the NCLT dated 06th August, 2018.

Please take the same on record.

Thanking you,
Yours faithfully,

For SHARDA MOTOR INDUSTRIES LIMITED

Nitin Vishnoi
Company Secretary
Encl:



Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)

Tel.: 91-11-47334100, Fax : 91-11-26811676

E-mail : smil@shardamotor.com, Website : www.shardamotor.com

CIN NO-L74899DL1986PLC023202

NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH

242(ND)/2017

CORAM:

PRESENT: MS. DEEPA KRISHAN
HON'BLE MEMBER(T)

MS. INA MALHOTRA
HON'BLE MEMBER (J)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING BEFORE NEW DELHI
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 06.08.2018

NAME OF THE COMPANY: M/s. Sharda Motor Industries Ltd. V/s. M/s.
Toyo Sharda India Pvt. Ltd. & Ors.

SECTION OF THE COMPANIES ACT: 241-242

<u>S.NO.</u>	<u>NAME</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
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Present: Counsel for the Petitioner.

ORDER

CA 333/2018 stands disposed vide a separate order on behalf of the
Bench To come up for further proceedings on 31st August, 2018.

Sd
(Deepa Krishan)
Member (T)

Sd
(Ina Malhotra)
Member (J)

NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH

CA-333/2017
In 242(ND)2017

In the matter of

M/s. Sharda Motor Industries Ltd.

...Petitioner

Vs.

M/s. Toyo Sharda India Pvt. Ltd. & Ors.

.... Respondent

Order delivered on 06.08.2018

SECTION: 241-242

CORAM:

SMT. INA MALHOTRA, HON'BLE MEMBER (J)

SH. S. K. MOHAPATRA, HON'BLE MEMBER (T)

Present: Mr. Sudhir Makkar, Sr. Advocate with Ms. Manisha Chaudhary and Mr. Kushal Bansal, Advocates for the Petitioner.

Mr. Virinder Ganda, Sr. Advocate with Mr. Pawan Sharma, Mr. Amit Bhagal, Mr. Anuj Shah Ms. Nripi Jolly, and Mr. Akshat Gupta, Advocates for Respondents No.7

ORDER

PER SMT. INA MALHOTRA, MEMBER (J)

Application CA 333/2017 has been filed by the petitioner seeking clarification/modification of order dated 06.01.2017 vide which it was directed that all financial statements shall be provided to the petitioner

in an electronic form prior to the shifting of the records to another premises.

2. The applicant seeks clarification/modification of the aforesaid order for being provided with not only the financial statements in the electronic form, but also all other statutory records and documents kept at the registered office of the company. Prayer was made as the respondents were in the process of shifting the records to their new registered office. It is submitted that the financial statements are not only available on the website of the RoC, but are also annexed along with the petition and therefore receiving the same in electronic form did not serve the purpose, as they apprehend fabrication/manipulation of the other statutory records.

3. For the purpose of adjudicating the prayer made in this application it would be relevant to consider the facts of this case. The petitioner company is a 50% shareholder in the respondent no.1 company. It has two nominees to represent its interest, viz. respondent no.2 & respondent no.7. Both respondents 2 & 7 are brothers. While the other 50% shareholders and directors repose confidence in respondent no. 2 for the general working and affairs of the company, respondent no.7 has alleged being kept out of the affairs of respondent no.1. He has therefore taken recourse to look into the affairs through the prayer made by petitioner company.


4. The point to be seen is that it is the petitioner company which is the shareholder. It can have no grievance as long as any of its nominees are actively involved in the affairs and kept in the loop. Respondent No.2 has primarily been in-charge of respondent no.1. All documents/statutory records, financial statements are available to the petitioner through its nominee director Respondent No.2. It can have no grievance of being kept out of the affairs of the respondent company so long as one of the nominees is seized of all decisions taken and is privy to all its affairs. It is not necessary that the petitioner's interest has to be equally espoused by both its nominees on the Board.

5. As respondent no.2 is privy to all decisions, resolutions, Board meetings, statutory filings, it cannot be said that the petitioner has no access to the required documents or needs separate inspection. No doubt respondent no.7, who also represents the petitioner company is entitled as a Director to be involved with its affairs, but his individual grievance cannot be routed and espoused through the petitioner. Respondent no.7 in his individual capacity as a director is entitled to inspect all records at the Registered office of the Respondent Company.

6. The petitioner's seeking all records in an electronic form on grounds of shifting of documents to a new registered office cannot be permitted as long as any of its nominee directors, more specifically respondent no.2 in this case, is fully acquainted and also has full access

to inspect the statutory records including financial statements, Minute Books, Board Resolutions etc. and is privy to all decisions made in the Respondent Company, fully representing the interest of the petitioner.

7. Respondent No.7 however shall be granted full opportunity to inspect records at the registered office without any impediments on prior notice to the Respondent. No other orders are called for. CA stands disposed off in terms of the above observations.



(S. K. Mohapatra)
Member (T)



(Ina Malhotra)
Member (J)