Sharda Motor Industries Ltd.

SMIL: BSE/NSE: 18-19/2502-02 **25th February, 2019**

BSE Limited
Department of Corporate Services
PherozeJeejeebhoy 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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"

Dear Sir/ Madam,

In furtherance to our Letter No. SMIL: LISTING: 18-19/2502-01, dated 25th February, 2019, this to inform you that the Company has entered into the Joint Venture (JV) Agreement with Eberspaecher Exhaust Technology International GmbH (EET) for Business Development of BS VI Norms in Commercial Vehicle segment in India also. This Joint Venture is expected to bring benefits to both the JV Partners i.e. SMIL & EET.

Further the detailed disclosure as required under Listing Regulations has been enclosed herewith as "Annexure I" and a copy of the Press Release for the same has been enclosed as per "Annexure II".

This is for your information and records.

Thanking you,

Yours faithfully,

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

Divyang Jain
Assistant Company Secretary

Encl. as above

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CIN NO-L74899DL1986PLC023202

Annexure I

S. No.	Particulars	Description
1.	Name of Party	Eberspacher Exhaust Technology International GMBH "Eberspacher"
2.	Purpose of Entering into JV Agreement	Business Development of "BS VI" Norms
3.	Shareholding and Equity Sharing Ratio of both the Parties	Equity sharing ratio is 50% - 50% (Eberspacher & Sharda Motor Industries Limited)
4.	Significant Terms and Conditions, including: ➢ No. of Directors (both parties); ➢ Right for Subscription of Share in further issue of shares; ➢ Right to Increase/ Decrease or change in Capital Structure; ➢ Details of Nominee on the board of Directors.	➢ Eberspacher-3, Sharda Motor Industries Limited -2. Total no. of directors-5 ➢ As per shareholding ratio ➢ Require consent of both the parties ➢ Yet to be decided
5.	Related to Promoter / Promoter Group (If yes, nature of relationship)	None
6.	Transaction(s) falling as Related Party Transactions (If yes, whether the same is done at "arms length)	Both the parties are not related
7.	Details for Issue of shares including Issue Price and Class of shares	Equity Shares of Rs. 10
8.	Any other disclosures related to such agreements	a) Chairman and Managing Director shall be appointed by the Board as nominated by Eberspacher Exhaust Technology International GMBH b) Chief Financial Officer shall be appointed by the Board as nominated by Sharda Motor Industries Limited

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

SHARDA MOTOR INDUSTRIES LIMITED

Eberspächer

PRESS RELEASE

Eberspaecher and Sharda Motor sign joint venture agreement

- **Joint manufacturer of commercial vehicle exhaust systems in India**
- **Global know-how for the local market**
- **Two new plants to be launched**

Esslingen / New Delhi, 25 February 2019 – **Eberspaecher Exhaust Technology International and Sharda Motor Industries Ltd. today signed an agreement for a 50:50 joint venture. In future, in order to comply with the highest emission standard Bharat Stage VI, the new joint venture will develop, produce and sell exhaust aftertreatment systems for Indian commercial vehicle manufacturers. The products will be utilized in trucks and buses from 2020 onwards.**

Sharda Motor, the leading local exhaust aftertreatment system manufacturer in India, and Eberspaecher, the global technology leader in emission control technologies for commercial vehicles which meet the highest emission standards, each will own 50 percent of the new joint venture Eberspaecher Sharda Exhaust Technology Pvt. Ltd. Both parties see the joint venture as the future of environmentally friendly mobility: "Our customers will benefit from this partnership because they will gain local market expertise coupled with our global technology and production know-how – for significantly reduced emissions from long-distance and distribution traffic in India," emphasizes Dr Thomas Waldhier, COO Eberspaecher Exhaust Technology. Ajay Relan, Managing Director Sharda Motor adds: “This partnership is an important step for our company in implementing high-tech products for a clean mobility. With our existing client and supplier base we bring local expertise into the joint venture company."

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New technology plants

In future, exhaust aftertreatment technology meeting the new emission standard Bharat Stage VI will be manufactured at several locations. This represents a major technological leap from the previous Bharat Stage IV standard and requires far more complex emission control solutions. The standard will enter into force in mid-2020 and will be in line with the Euro 6 standard in Europe. For the initial start of production two new technology plants will be launched, one in the City of Pune and the other in Northern India. The first exhaust systems will be manufactured in the second half of 2019.

For Eberspaecher, the cooperation is another important milestone of the consistent implementation of its growth strategy. The aim is to continue to build a leading position in the Asian commercial vehicle exhaust technology markets. In August 2018, the Esslingen-based supplier set up another joint venture company in China in order to meet the growing demand for effective emission control systems and ensure environmentally friendly mobility. In the future, the company will offer emission reduction systems for commercial vehicles, which will meet the China 6 standard from 2020 onwards. Further Information about the Chinese joint venture activities see: https://go.eberspaecher.com/yuchai

Captions:

- *Eberspaecher Headquarters in Esslingen, Germany.*
- *Sharda Motor Headquarters in New Delhi, India.*

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About Eberspaecher:
With approximately 10,000 employees at 80 locations worldwide, the Eberspaecher Group is one of the automotive industry's leading system developers and suppliers. The family business, headquartered in Esslingen am Neckar, stands for innovative solutions in exhaust technology, automotive electronics and thermal management for a broad range of vehicle types. Eberspaecher components and systems provide more comfort, greater safety and a cleaner environment on or off the road. In 2017, the Group generated revenue of around 4.5 billion euros. For more information, please visit www.eberspaecher.com.

About Sharda Motor:
Sharda Motor is a market leader in manufacturing and supply of Exhaust Systems, Catalytic Converter, Independent Suspension and Pressed Parts. Sharda Motor has state-of-the-art manufacturing facilities with continuous focus on new products, innovation, technology up gradation and Research & Development. Sharda Motor has Multi Location Production facilities across India near to customer base including Sale Offices and R&D. With a firm base in operational excellence, Sharda Motor supplies Quality automotive components to leading vehicle and engine manufacturers in India. For more information, please visit www.shardamotor.com.

Safe Harbor Statement:
The above release may contain some forward looking statement and shall not be considered for any investment decisions in Indian JV partner which is a public listed entity in India.

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