Annexure A

# Sharda Motor Industries Ltd.

**SMIL: 2019-20/1603** **March 16, 2020**

**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 - Record Date**

Dear Sir / Madam,

In pursuant to Regulation 42 of the (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, this is to inform that the Board of Directors of the Company has considered and approved, March 27, 2020 as the "Record Date" for determining the members of Sharda Motor Industries Limited eligible for allotment of equity shares of NDR Auto Components Limited pursuant to Composite Scheme of Arrangement through Circular Resolution i.e. passed today.

Further, in accordance with the Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 and as per the company's policy *"SMIL Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders"* the trading window for dealing in the securities of the Company shall remain closed from the date & time of intimation hereof to the Stock Exchanges till March 29, 2020 i.e. completion of 48 Hours of the Record Date.

Accordingly, all the Designated Persons are being intimated not to enter into any transaction involving the securities of the Company during the aforesaid period of closure of Trading Window.

Thanking You.

Yours Faithfully,

**For Sharda Motor Industries Limited**

**Divyang Jain**
**Asst. Company Secretary**

SHARDA MOTOR INDUSTRIES LTD. NEW DELHI

**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

# Sharda Motor Industries Ltd.

## SYNOPSIS OF THE SCHEME OF ARRANGEMENT ("SCHEME")

The Hon'ble National Company Law Tribunal, New Delhi bench, vide its Order dated February 20, 2020 has approved the Scheme of Arrangement among Sharda Motor Industries Limited and NDR Auto Components Limited and their respective Shareholders and Creditors for demerger and transfer of the "Automobile Seating Undertaking" of Sharda Motor Industries Limited ("Demerged Company/SMIL") into NDR Auto Components Limited ("Resulting Company/NACL") under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013.

The Company obtained the certified true copy of the said order of the Hon'ble National Company Law Tribunal on March 11, 2020.

## BUSINESS ASPECTS OF THE SCHEME

**Rationale and Objective of the Scheme (Point B of the Preamble of the Scheme)**

The arrangement is aimed at demerger of "Automobile Seating Undertaking"(hereinafter defined) of SMIL into NACL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for SMIL and NACL:

a) The Automobile Seating Undertaking carried on by SMIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the Automobile Seating Undertaking is separate and distinct from the other business of the Company. The Automobile Seating Undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders and would further enhance the shareholders wealth.

b) The management teams and Board of Directors of SMIL and NACL would be able to chart out independent strategies of their respective businesses to maximize value creation for their respective stakeholders. Demerger shall enhance focus of management on the operations of the Automobile Seating Undertaking by NACL and Suspension, Exhaust, Silencer, Canopy and White goods Undertaking by SMIL.

c) As part of the Resulting Company, the Automobile Seating business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

d) The demerger will permit increased focus by SMIL and NACL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any of the directors, key management personnel, promoters, non-promoter members, creditors and employees of SMIL and NACL.

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The transfer and vesting of the Automobile Seating Undertaking (hereinafter defined) into NACL would be in the best interests of the shareholders, creditors and employees of SMIL and NACL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Automobile Seating Undertaking and the Remaining Business(hereinafter defined) of SMIL. Pursuant to this Scheme all the shareholders of SMIL will get shares in NACL and there would be no change in the economic interest for any of the shareholders of SMIL pre and post implementation of the Scheme.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Automobile Seating Undertaking of SMIL will be demerged into NACL as a going concern with effect from the Appointed Date (hereinafter defined). Accordingly, the Board of Directors of SMIL and NACL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

**SHARE ENTITLEMENT RATIO (Clause 12.1 of the Scheme)**

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Automobile Seating Undertaking of SMIL in NACL, NACL shall, without any further act or deed, issue and allot to the equity shareholders of SMIL, whose names appear in the Register of Members of SMIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of SMIL in consultation with NACL for the purpose of reckoning the names of the equity shareholders of SMIL, in consideration for the transfer of the Automobile Seating Undertaking in the following proportion namely,:

***"for every 1 (One) equity share of face value of INR10/- (Rupees Ten only) each held in SMIL as on the Record Date, the equity shareholders of SMIL shall be issued 1 (One) equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL"***

The new equity shares issued, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in SMIL in dematerialized form, into the account with the depository participant in which the equity shares of SMIL are held or such other account with the depository participant as is intimated by the equity shareholders of SMIL to NACL before the Record Date. All those equity shareholders of SMIL who hold equity shares of SMIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to NACL before the Record Date. In the event that NACL has received notice from any equity shareholder of SMIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of NACL, then NACL shall issue new equity shares of NACL in accordance with clauses 12.1 of the Scheme , as the case may be, in physical form to such equity shareholder.

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