Sharda Motor Industries Ltd.

SMIL: BSE/NSE: 18-19/2708-01 **27th 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.61(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 delivered by the NCLT dated 24th August , 2018.

Please take the same on record.

Thanking you,
Yours faithfully,
For SHARDA MOTOR INDUSTRIES LIMITED

Nitin Vishnoi
Company Secretary
Encl:

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

IN THE NATIONAL COMPANYLAW TRIBUNAL: NEW DELHI
PRINCIPAL BENCH

CP No. 61(ND)/2017

IN THE MATTER OF:

Rohit Relan & Ors. .... APPLICANT / PETITIONER

Vs

Sharda Motor Industries Ltd. & Ors. .... RESPONDENT

SECTION:

Under Section 241-242 of the Companies Act

Order delivered on 24.08.2018

Coram:

CHIEF JUSTICE (RTD.) M.M. KUMAR
Hon'ble President

Sh. S. K. MOHAPATRA,
Hon'ble Member (Technical)

PRESENTS:

For the Petitioner(s):	Mr. Virender Ganda, Sr. Adv. Mr. Suhail Dutt Sr. Adv. Mr. Pawan Sharma, Adv. Mr. Anuj Shah, Advocates
For the Respondent 1-6:-	Mr. Salman Khurshid, Sr. Adv, Mr. Jayant Mehta, Ms. Smarika Singh, Ms. Shreya Sircar, Advs.
For the Res. No. 7 (s):-	Ms. Malini Sood, Adv.

ORDER

CA-757(PB)/2018 & CA-761(PB)/2018

Notice of the application Mr. Mehta, Ld. Counsel for the non-applicant-respondent accepts notice and Ld. Counsel seeks and is granted one-week time to file reply. Let the reply be filed within a week with a copy in advance to the counsel for the applicant.

However, we find that resolution passed under Item 15(b) has been taken up under the resident item viz, 'any other agenda item'. The Board of Director in that meeting held on 06.11.2015 has increased from Rs. 50 Crores to Rs. 100 Crores and the Board of Directors have the resolution reads as under;-

"**RESOLVED FURTHER THAT** Shri Ajay Relan, Managing Directord of the Company be and hereby also authorised to revoke, withdraw or change such authority, any time in the future. Shri Ajay Relan, Managing Director of the Company informed the Board that we are in discussion with various business associates for exhaust business for long terms investment(s)/ Joint Venture proposal(s) to enhance the relevant business. Shri Ajay Relan proposed that investment limits approved by the Board in its meeting held on 06th November, 2015 shall be increased from Rs. 50 Crores to Rs. 100 Crores. After a detailed discussion the above proposal was approved and following resolution was unanimously passed.

RESOLVED THAT In modification of the earlier resolution passed by the Board in this regard and pursuant to Section 179 and subject to limits, envisaged under 186 of the Companies Act, 2013 ("Act"), read with the Companies (Meeting of the Board and its Powers) Rules, 2014, as may be amended from time to time, Articles of Association of the Company, and other applicable law(s) for the time being in force and subject to necessary approvals, if required, consent of the Board of Directors of the Company be and is hereby accorded, to invest the fund of the company from time to time, by way of subscription, purchase conversion or otherwise, in equity shares, preference share, Debenture (whether convertible or non-convertible) or any other security of financial instrument to hold them as investment, or for the purpose of any partnership, association, joint venture etc., in the interest of the company, however such investment in one tranche shall not exceed Rs. 100 crore and further investment already made and proposed to be made, collectively, shall not at any point of time exceed the limits prescribed under Section 186(2) of the Companies Act, 2013."

According to the provision of Section 186(2) specific resolution has to be passed by all the member present and voting. Admittedly the applicant was not present as he expressed his unwillingness to participate vide letter dated 02.08.2018 in the

meeting which was held on 03.08.2018. The case of the applicant is that had he been apprised of this Agenda Item specifically by circulating the same then he might have attended and would have opposed it. such an important agenda item could not have been taken up under 'any other item'.

In view of the above we are of the view that the applicant deserves an interim order. Accordingly, the respondent shall not proceed with the aforesaid agenda item till the next date of hearing.

For arguments on 06.09.2018.

Sd/-

(M. M. KUMAR)
PRESIDENT

-Sd-

(S. K. MOHAPATRA)
MEMBER (TECHNICAL)

24.08.2018
Ritu Sharma