Sharda Motor Industries Ltd.

SMIL: BSE: NSE: 16-17/0712- 01

7th December, 2016

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: Notice of Postal Ballot

Dear Sir,

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), please find enclosed herewith Notice of Postal Ballot/ E-voting along with Postal Ballot Form sent to those shareholders whose names appear in the Register of Members/ List of beneficial owners as on cut-off date i.e. 2nd December, 2016 for seeking approval on the resolution as set out in the said notice.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For SHARDA MOTOR INDUSTRIES LIMITED

NITIN VISHNOI
Company Secretary
***Encl:* A/A**

SHARDA MOTOR INDUSTRIES LTD. New Delhi

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 the Companies (Management and Administration) Rules, 2014 and further amendments made thereunder

Dear Member(s)

NOTICE is hereby given that pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of the 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, 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 the revision in remuneration of Shri Aashim Relan, a related party

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, if any, of the Companies Act, 2013 ("the Act") read with rules made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof) and other applicable Law(s) and Regulations, if any, consent of the members of the Company be and is hereby accorded for increasing the remuneration of Shri Aashim Relan, Chief Operating Officer of the Company w.e.f. 6th January, 2017, being a related party as per the terms & conditions as set out hereunder:

Salary:	**Basic:**	Rs. 3,50,000/- per month in the range of Rs. 3,00,000/- to Rs. 7,00,000/- per month.
	HRA:	Rs. 1,75,000/- per month in the range of Rs. 1,50,000/- to Rs. 3,50,000/- per month.
	Variable Pay:	Rs. 5,00,000/- per month in the range of Rs. 4,00,000/- to Rs. 8,00,000/- per month payable on quarterly basis.

Other Entitlements:

1. Medical Expenses for self & family including Premium of Medi-Claim Policy(ies).
2. Personal Accident Insurance for self & family.
3. Clubs Membership Fees / expenses.
4. Leave Travel Concession for self & family as per the Company Rules.
5. Leave Encashment as per the Company Rules.
6. Provision for company maintained chauffeur driven car.
7. Free Telephone, Fax and other communication facilities.
8. Company's Contribution towards Provident Fund, Pension Fund, and Superannuation Fund as per the Company Rules.
9. Gratuity as per the Payment of Gratuity Act, 1972 including any amendment or re-enactment thereof.
10. Such other perquisites and allowances in accordance with the rules of the Company or as may be approved by the Board of Directors and/or its Committee.

"RESOLVED FURTHER THAT the Board of directors and its committees be and is hereby authorised to alter, vary and/or inerease the remuneration and terms of appointment of Shri Aashim Relan, subject to limits as specified above."

"RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all necessary steps or actions as may be necessary, desirable or expedient to give effect to this 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: 14th November, 2016
Place: New Delhi

Notes:

(1) An explanatory statement in terms 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 cut-off date i.e. 2nd December, 2016.

(3) Mr. Vineet K Chaudhary, Company Secretary in whole time practice has been appointed as Scrutinizer for conducting the postal ballot and e-voting process 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 and self-addressed business reply envelope 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 2nd December, 2016. A person, who is not a member as on cut-off date i.e. 2nd December, 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 from 8th December, 2016 (10:00 A.M. IST) and ends on 6th January, 2017 (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 2nd December, 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 relevant documents pertaining to this resolution 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 6th January, 2017.

(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 Company Secretary in whole time practice, at the Registered Office of the Company not later than Friday, 6th January, 2017 (05:00 P.M. (IST).

(13) The members desiring to exercise their vote by Postal Ballot Form 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 6th January, 2017 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 Chairperson/Co-Chairperson of the Company on 7th January, 2017

(15) The final results of the voting by Postal Ballot will be declared by the Chairperson/Co-Chairperson of the Company, at the registered office of the Company on Saturday, 7th January, 2017 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 final results as to whether the resolution has been carried or not, along with Scrutinizer's Report will be posted on the website of the Company i.e. 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, shall 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:**

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders.

(iii) Now 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)

(iv) Enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). 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 sequence number in the PAN field. Sequence number is printed on Postal Ballot Form. In case the sequence 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. E.g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. 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 directly reach the Company 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 EVSN for the relevant <Company Name> 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 details.

(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 the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Shareholders can cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store.

(xvii) 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) I**n case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(D) The e-voting period commences on Thursday, 8th December, 2016 (09:00 a.m. IST) and ends on Friday, 6th January, 2017 (05:00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Cut-Off date i.e. Friday, 2nd December, 2016 (the "Cut Off Date") may cast their vote electronically, and 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.

EXPLANATORY STATEMENT ANNEXED TO NOTICE IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013

Shri Aashim Relan was appointed as the Chief Operating Officer of the Company w.e.f. 28th June, 2012 at a monthly remuneration of Rs.180,000/- plus other perquisites and allowances, approval for which was sought from the shareholders in the 27th Annual General Meeting of the Company. Keeping in view the enhanced responsibilities assigned to him and the scope of work, it was felt desirable to revise his remuneration from the present structure.

Shri Aashim Relan is a graduate in Economics major from "Emory University, Atlanta (U.S.A)". He is a young and dynamic personality having experience in the field of business development in domestic and international market, finance and strategic planning. He is associated with the Company for last 5 years looking overall management of the company including management of supply chain, operations, strategy & innovations in the Company.

Since Shri Aashim Relan is son of Shri Ajay Relan, Managing Director of the Company, he is a related party of the Company in terms of Section 2(76) of the Companies Act, 2013 and revision in his remuneration, being a related party transaction, attracts the provisions of section 177, 188 of the Companies Act, 2013.

On the recommendation of namination & Remuneration committee, Audit Committee and Board in their meeting held on 14th November, 2016 has approved the revised remuneration structure of Shri Aashim Relan. Since his monthly remuneration exceeds Rs. Two and Half Lakhs per month, therefore in term of Section 188 of the Companies Act, 2013 and applicable regulations of SEBI (LODR) Regulations, 2015, prior approval of the members of the Company is required by way of an ordinary resolution.

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)

Name of Related Party	Aashim Relan
Name of Directors or key managerial personnel who is related, if any	Shri Ajay Relan, Managing Director & CEO of the Company
Nature of Relationship	Relative of Shri Ajay Relan, Managing Director of the Company
Nature, material terms, monetary value and particulars of the said contract or arrangement	Increase in the remuneration of Shri Aashim Relan, COO of the Company as per the remuneration structure as set out in the resolution.

None of the Directors and Key Managerial Personnel (s) except Shri Ajay Relan is interested or concerned in the proposed resolution.

The Board recommends the resolution for approval of the Members. Also the Members are further informed that all concerned related parties shall not be entitled to vote on this 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: 14th November, 2016
Place: New Delhi

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 the revision in remuneration of Shri Aashim Relan, a related party			

Place:

Date: **Signature**

EVOTING PARTICULARS

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

INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot form 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 Ballot forms, if deposited in person or sent by courier at the expense of the Registered Shareholder will also be accepted.

2. 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.

3. 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.

4. A shareholder need not use all his votes nor he/ she needs to cast all his/ her votes in the same way.

5. 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 6th January, 2017. Any postal ballot form received after this date will be treated as if the reply from the shareholder has not been received.

6. 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. (5) above.

7. 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. 2nd December, 2016.

8. 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.

9. 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.

10. The postal ballot shall not be exercised by Proxy. However, corporate and Institutional members shall be entitled through authorized representatives with proof of their authorization.

11. The Scrutinizer will submit his consolidated report of Postal Ballot and e-voting process to the Chairperson/ Co-Chairperson after completion of the scrutiny of the Postal Ballot Forms. The results will be announced on Saturday, 7th January, 2017, 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.

12. 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.

13. 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.