SUNDAE
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ANNEXURE E

March 25, 2019

To,
The Board of Directors
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-I, New Delhi - 110020

Sub.: Fairness opinion towards the valuation for the proposed Scheme of Arrangement between Sharda Motor Industries Limited,NDR Auto Components Limitedand their respective shareholders and creditors

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as "Sundae" or "We"), refer to the engagement letter dated February 27, 2019 with Sharda Motor Industries Limited (referred to as "SMIL" / "Demerged Company"), wherein we have been requested to provide an opinion on the captioned subject on the basis of the Share Entitlement Report dated March 25, 2019 issued by Rajesh Mittal, Registered Valuer (IBBI Reg. No. IBBI/RV/03/2018/10074) (referred to as "Valuer").

SCOPE AND PURPOSE OF THIS REPORT

The equity shares of Sharda Motor Industries Limited are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited (BSE"). The Company in its Board Meeting held on February 25, 2019, in-principally agreed to the proposed demerger of the Automotive Seating Business. The said demerger is proposed to be implemented by undertaking a Scheme of Arrangement between Sharda Motor Industries Limited (referred to as "Demerged Company") and NDR Auto Components Limited("NACL" or "Resulting Company") and their respective shareholders and creditors (the "Scheme of Arrangement").

This Fairness Report is being issued in accordance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, on the valuation of the proposed Scheme of Arrangement. This certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it shall not be valid for any other purpose.

COMPANY BACKGROUND

Sharda Motor Industries Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1956 on January 29, 1986 bearing Corporate Identification Number L74899DL1986PLC023202. The registered office of SMIL is situated at D-188, Okhla Industrial Area, Phase-I, New Delhi - 110020. The equity shares of SMIL are listed on Bombay Stock Exchange Limited ("BSE") &National Stock Exchange of India Limited ("NSE"). The capital Structure of the SMIL is as under:

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Particulars	Amount (INR)
Authorized Share Capital	
5,00,00,000 Equity Shares of INR 10 each	50,00,00,000
Total	**50,00,00,000**
Issued, Subscribed and Paid Up Share Capital 59,46,326 Equity Shares of INR 10 eachfully paid up	5,94,63,260
Total	**5,94,63,260**

SMIL has the following business undertakings:

(a) Suspension, Exhaust and Silencer, White goods i.e. Air conditioner, Canopy & components thereof Undertaking (Other than Automobile Seating Undertaking) engaged in manufacturing of suspension, exhaust and silencer, white goods; and

(b) Automobile Seating Undertaking engaged in manufacturing of automobile seating.

NDR Auto Components Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on March 19, 2019 bearing Corporate Identification Number U29304DL2019PLC347460. The registered office of NACL is situated at D 188, Okhla Industrial Area, Phase-I, New Delhi - 110020.The equity shares of NACL are currently not listed on any stock exchange. NACL is a wholly owned subsidiary of SMIL. The capital structure of NACL Is as under:

Particulars	Amount (INR)
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	100,000
Total	**100,000**
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 each fully paid up	100,000
Total	**100,000**

SUMMARY OF PROPOSED TRANSACTION

The management of SMIL has decided on restructuring the business of the Company by way of 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. The transaction is proposed under the Scheme of Arrangement under section 230-232 and other applicable provisions of Companies Act, 2013 read with Section 66 of the Companies Act, 2013.

Pursuant to the Scheme, NACL will issue its equity shares to the shareholders of SMIL as a consideration to transfer the Automobile Seating Undertaking of SMIL engaged in manufacturing of automobile seating. Further, the investment of SMIL in NACL shall stand cancelled.

As presented by Management, 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

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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 and Silencer, White goods Undertaking (Other than Automobile Seating 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.

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of forming our opinion on the Share Entitlement Report, we have relied on the discussions with the Management of SMIL and the following information and documents made available to us:

- Valuation Report dated March 25, 2019 by Rajesh Mittal, Registered Valuer;
- Memorandum and Articles of Association of the Demerged Company and Resulting Company;
- Audited Financial Statements of the Demerged Company for the Financial Years ended on March 31, 2018, 2017 and 2016 and limited reviewed financial statements for the nine months period ended December 31, 2018;
- Unaudited carved out financials of Demerged Undertaking as on December 31, 2018,
- Draft Scheme of Arrangement for the proposed transaction.
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of SMIL. Our analysis considers those facts and circumstances present at the Demerged Company and Resulting Company at the date of this Fairness Opinion. Our opinion would most likely to be different if another date was used.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by SMIL for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of SMIL. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Demerged Company or the Resulting company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Demerged Company or the Resulting company (other than

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those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Demerged Company or the Resulting Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Demerged Company or the Resulting Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Demerged Company or the Resulting Company with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Arrangement.

We understand that the managements of the Demerged Company or ResultingCompany during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the Demerged Company or the Resulting company may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the Demerged Company or the Resulting company or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Demerged Company or the Resulting company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the Demerged Company or the Resulting company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Demerged Company or the Resulting company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

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We express no opinion whatever and make no recommendation at all as to the Demerged Company or the Resulting company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Demerged Company or the Resulting company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Demerged Company or Resulting Company will trade following the announcement of the transaction or as to the financial performance of the Demerged Company or the Resulting Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Demerged Company.

OUR OPINION

With reference to above and based on information and explanation provided by the management representative of Demerged Company and after analyzing the Draft Scheme of Arrangement, we understand that since Resulting Company is wholly owned subsidiary of Demerged Company, the set of shareholders and holding proportion being proposed for NACL is identical to SMIL, the beneficial economic interest of SMIL shareholders in NACL will remain same at the time of demerger. Hence, the Valuer has recommended as under:

"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 equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in NACL."

Based on the information, data made available to us, including the Share Entitlement Report of Rajesh Mittal, Registered Valuer, to the best of our knowledge and belief, the entitlement ratio arrived at by Rajesh Mittal, Registered Valuer under the Draft Scheme of Arrangement, in our opinion, is fair considering that all the shareholders of SMIL are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in SMIL, as on record date to be decided by the Management of SMIL

The aforesaid Scheme of Arrangement shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the Draft Scheme of Arrangement. Sundae has issued this Fairness Opinion with the understanding the Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme of Arrangement alters the transaction.

For ***Sundae Capital Advisors Private Limited***
(SEBI Regn. No. INM000012494)

Anchal

Anchal Lohia
Manager

Sundae Capital Advisors Private Limited