Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Annexure-C

March 25, 2019

To,

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

Sub.: Report on share entitlement ratio for the proposed Scheme of Arrangement between Sharda Motor Industries Limited, NDR Auto Components Limited and their respective shareholders and creditors

Dear Sir / Madam,

We refer to the engagement letter dated February 27, 2019 with Sharda Motor Industries Limited (referred to as "SMIL" / "Demerged Company") to report on reasonableness of share entitlement ratio for the proposed demerger of Automobile Seating Undertaking of SMIL into NDR Auto Components Limited ("NACL" / "Resulting Company"), as a part of Scheme of Arrangement with effect from Appointed date, December 31, 2018 (end of day).

Share entitlement ratio is the number of shares of NACL, that a shareholder of SMIL would be entitled to in proportion to the existing shareholding in SMIL. The definition of Demerged Undertaking as per the draft Scheme provided to us is placed in Annexure I.

SCOPE AND PURPOSE OF ENGAGEMENT

This transaction is proposed under a Scheme of Arrangement under Section 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable read with Section 66 of the Companies Act, 2013 (the "Scheme"). As per the Scheme, NACL will issue its shares to the shareholders of SMIL as a consideration for the demerger.

This report is subject to the scope limitations, exclusions and disclaimers detailed hereinafter. As such the report is to read in totality and not in parts, in conjunction with the relevant documents referred to therein.

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 paid up share capital of SMIL as on March 25, 2019 consisted 59,46,326 Equity Shares of face value Rs. 10/- each.The equity shares of SMIL are listed on Bombay Stock Exchange Limited ("BSE") &National Stock Exchange of India Limited ("NSE"). SMIL has the following business undertakings:

RAJESH MITTAL
Reg. No. IBBI/RV/03/2018/10074
REGISTERED VALUER

(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 paid up share capital of NACL consist of 10,000 equity shares of face value Rs. 10/- each.The equity shares of NACL are currently not listed on any stock exchange. NACL is a wholly owned subsidiary of SMIL.

As per the draft scheme and discussions with the management of SMIL, we understand that upon demerger, transfer and vesting of Demerged Undertaking in NACL, shares of NACL will be issued to the shareholders of SMIL such that NACL and SMIL will have mirror shareholding upon issue of shares.

SOURCES OF INFORMATION

For the purpose of this exercise, we have,

- Considered the unaudited carved out financials of Demerged Undertaking as on December 31, 2018
- Considered the draft scheme of Arrangement ("Draft Scheme")
- Considered the existing shareholding pattern of SMIL and NACL
- Relied on the representations of Management
- Carried out such other analysis, reviews and inquires as we considered necessary.

SCOPE LIMITATIONS, EXCLUSIONS AND DISCLAIMERS

We have relied upon the information, data and explanations given to us by the Management of SMIL for the purposes of concluding on the reasonableness of Share Entitlement ratio in connection with the proposed demerger. We have not carried out a due diligence or audit of Demerged Undertaking or SMIL nor have we independently investigated or otherwise verified the data provided. We do not express any form of assurance that the financial information or other information as provided by the Management is accurate.

Our conclusions assumes that Demerged Undertaking, SMIL and NACL comply fully with the relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that demerged undertaking are being managed in a competent and reasonable manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in audited carved out balance sheet of Demerged

RAJESH MITTAL Reg. No. IBBI/RV/03/2018/10074 REGISTERED VALUER

Undertaking. Our conclusion on reasonableness of share entitlement ratio assumes that the assets and liabilities of Demerged Undertaking remain intact as of date of forming such opinion on Share Entitlement Ratio.

This Share Entitlement Ratio is essentially based on the information provided by the Management for which SMIL accepts full responsibility. Our review and analysis have been limited to the above mentioned procedures and our analysis is subject to this limitation. Our reliance and use of this information provided by SMIL or the management should not be construed as expression of our opinion on it and we do not and will not accept any responsibility or liability for any inaccuracy in it.

The exercise of valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have concluded on the reasonableness of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as of the same.

SHARE ENTITLEMENT RATIO

As of the Report date the issued and subscribed paid up capital of SMIL consists of 59,46,326 Equity Shares of face value Rs. 10/- each.

We understand from the Management of SMIL that NACL will be the wholly owned subsidiary of SMIL and it purposes to engage in Automobile seating business (currently, the Company has no commercial business activities).

As per the draft scheme provided to us and information provided by the Management of SMIL, we understand that the 10,000 (Ten Thousand) equity shares of the Resulting Company of Rs. 10/- each held by the Demerged Company comprising of 100% of the total issued and paid-up capital of the Resulting Company as on Effective date of the Scheme shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the Capital reserve account of the Resulting Company. (Refer to Share Cancellation Clauses as per the Draft Scheme provided to us in Annexure I)

We understand that in consideration of the demerger of Demerged Undertakings, the Management proposes to issue:

"for every 1 equity share of face value of INR 10/- (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 INR 10/- (Rupees Ten only) each credited as fully paid-up in NACL"

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for NACL is identical to that of SMIL, the beneficial economic interest of SMIL shareholders in NACL will remain same at the time of demerger.

We believe that the abovementioned share entitlement ratio is fair and reasonable 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 as they hold shares in SMIL, as on record date to be decided by the management of SMIL.

RAJESH MITTAL Reg. No. IBBI/RV/03/2018/10074 REGISTERED

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Our report and share entitlement ratio is based on the current equity share capital structure of the Companies and proposed cancellation of existing share capital of SMIL. Any variation in the equity capital structure of the companies apart from the above mentioned prior to the Scheme of Arrangement becomes effective may have an impact on share entitlement ratio.

Thanking you,

Yours sincerely,

RAJESH MITTAL
Reg. No. IBBI/RV/03/2018/10074
REGISTERED VALUER

Rajesh Mittal
Registered Valuer
[IBBI Reg. No. IBBI/RV/03/2018/10074]

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Annexure I

"Demerged Undertaking" (Clause 1.4 of the Draft Scheme)

1.4 "Automobile Seating business" or "Automobile Seating Undertaking" of SMIL means all the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of SMIL pertaining to the Automobile Seating business, including specifically the following:

1.4.1 all immovable properties (As listed in Schedule I of this Scheme) i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including but not limited to offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the Automobile Seating business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

1.4.2 all assets, as are movable in nature pertaining to and in relation to the Automobile Seating business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished good packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other, persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to goods and services tax credit, service tax input credits, CENVAT credits, value added tax/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

1.4.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Automobile Seating business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Automobile Seating business;

1.4.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment

RAJESH MITTAL Reg. No: IBBI/RV/03/2018/10074 REGISTERED VALUER

purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Automobile Seating business;

1.4.5 all applications(including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Automobile Seating business;

1.4.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SMIL pertaining to or in connection with or relating to the Automobile Seating business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SMIL and pertaining to the Automobile Seating business;

1.4.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product' registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Automobile Seating business;

1.4.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of SMIL pertaining to the Automobile Seating Undertaking and/or arising out of and/or relatable to the Automobile Seating business and including:

a) the debts, liabilities, duties and obligations of SMIL which arises out of the activities or operations of the Automobile Seating business; and

b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Automobile Seating Business.

1.4.9 all employees of SMIL employed/engaged in the Automobile Seating business as on the Effective Date; and

1.4.10 all legal or other proceedings of whatsoever nature that pertain to the Automobile Seating business.

RAJESH MITTAL
Reg. No: IBBI/RV/03/2018/10074
REGISTERED VALUER

Rajesh Mittal
Registered Valuer:- Securities or Financial Assets
[Registration No. IBBI/RV/03/2018/10074]
C-56, Soami Nagar, New Delhi 110017
md@alamakcapital.com/ 011-41329808

Share Cancellation Clause (Clause 13.3 and 13.7 of Draft Scheme)

Clause 13.3

"Upon the Scheme being effective, the investment of SMIL in NACL shall stand cancelled. Upon cancellation, SMIL shall credit its investment in NACL, the value of investment held by SMIL in NACL, which stands cancelled and the same shall be debited to the current year Profit and Loss Account of SMIL."

Clause 13.7

"In respect of cancellation of shares held by SMIL, NACL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by SMIL in NACL with a corresponding credit to Capital Reserve of NACL."

RAJESH MITTAL
Reg. No: IBBI/RV/03/2018/10074
REGISTERED VALUER

SCHEDULE - 1

IMMOVABLE PROPERTIES

List of immovable property(ies) forming part of Automobile Seating business, owned by SMIL

Location (Address)
C-506, Block-C, Pioneer Industrial Park (Village Bhudka), Pathredi, Gurgaon, Haryana

RAJESH MITTAL
Reg. No: IBBI/RV/03/2018/10074
REGISTERED VALUER