Uno Minda Limited

UNO MINDA
DRIVING THE NEW

REPORT OF THE AUDIT COMMITTEE OF UNO MINDA LIMITED RECOMMENDING THE PROPOSED SCHEME OF AMALGAMATION OF MINDA ONKYO INDIA PRIVATE LIMITED WITH UNO MINDA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

MEMBERS PRESENT:

Mr. Rajiv Batra	- Independent Director
Ms. Rashmi Hemant Urdhwareshe	- Independent Director
Dr. Sandhya Shekhar	- Independent Director
Mr. Randhir Singh Kalsi	- Independent Director

1. **Background**

1.1. A meeting of the Audit Committee (**"Committee"**) of Uno Minda Limited ("**Company**" or **"Transferee Company"**) was held on August 04, 2026 to consider and recommend to the Board of Directors of the Company ("**Board**"), the proposed scheme of amalgamation of Minda Onkyo India Private Limited ("**Transferor Company"**) with the Transferee Company and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**the Act**") and other applicable laws including but not limited to relevant provisions of Income-tax Act, 2025 ("**IT Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactments thereof for the time being in force) ("**SEBI LODR Regulations**"), including the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023 and Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025 issued by the Securities and Exchange Board of India ("**SEBI**") or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("**SEBI Scheme Circular**") (the "**Scheme**")

1.2. The Transferee Company is a public listed company incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferee Company are listed on National Stock Exchange of India Ltd. (**"NSE"**) and BSE Ltd. (**"BSE"**) (collectively the "**Stock Exchanges**").

The non-convertible Debentures (**"NCDs"**) issued by the Company are listed on BSE, the details of which are described below:

a) 10,000 (ten thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.85% Uno Minda Limited NCD 2027 amounting to Rs 100,00,00,000 (Indian Rupees One hundred Crore Only);

b) 5,000 (five thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.85% Uno Minda 2027 Series I amounting to Rs 50,00,00,000 (Indian Rupees Fifty Crore Only);

c) 10,000 (ten thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.88% Uno Minda 2027 Series II amounting to Rs 100,00,00,000 (Indian Rupees One Hundred Crore Only);

d) 10,000 (ten thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.75% Uno Minda 2026 Series I amounting to Rs 100,00,00,000 (Indian Rupees One Hundred Crore Only);

e) 5,000 (five thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.75% Uno Minda 2027 Series II amounting to Rs 50,00,00,000 (Indian Rupees Fifty Crore Only);

f) 10,000 (ten thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.12% Uno Minda Series I Debentures amounting to Rs 100,00,00,000 (Indian Rupees One hundred Crore Only);

g) 10,000 (ten thousand) unsecured, listed, rated, redeemable, non-convertible, non-cumulative, taxable debentures of a face value of Rs 100,000 (Indian Rupees One Lakh Only) each under 7.11% Uno Minda 2027 Series II Debentures amounting to Rs 100,00,00,000 (Indian Rupees One hundred Crore Only)

1.3. The Transferor Company is a company incorporated under the provisions of the Companies Act, 2013. The Transferor Company is the Subsidiary of the Transferee Company. The Transferee Company along with its nominees holds 99% of the equity share capital of Transferor Company.

1.4. The Scheme provides for the amalgamation of the Transferor Company with the Company and various other matters consequent and incidental thereto.

1.5. In terms of the SEBI Scheme Circular, a report from the Audit Committee recommending the draft Scheme is required, taking into consideration inter alia the Valuation Report (as defined hereinafter), and commenting on the need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the Company and the shareholders of the Company and cost benefit analysis of the Scheme. Accordingly, this report of the Audit Committee is made in compliance with the requirements of the SEBI Scheme Circular issued by SEBI pursuant to the SEBI LODR Regulations.

UNO MINDA LIMITED

2. **Salient features of the Scheme**

The Scheme is pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and provides for, inter alia, the following:

2.1. Amalgamating the entire business of the Transferor Company with the Transferee Company in accordance with the Sections 230 to 232 and other applicable provisions of the Act, the provisions of the SEBI Scheme Circular and the Income Tax Act, 2025.

2.2. To the extent equity share capital of the Transferor Company is held by the Transferee Company and its nominee shareholders, upon the Scheme becoming effective, there shall be no issue of shares by the Transferee Company against such equity shares which are held by the Transferee Company and its Nominees in the Transferor Company. The equity shares held by Transferee Company along with its nominees in the Transferor Company shall stand cancelled and extinguished without any further application, act, instrument, or deed.

2.3. Upon the Scheme becoming effective, the Transferor Company will dissolve without winding up and in consideration of transfer and vesting of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall issue and allot its fully paid-up equity shares to all shareholders of the Transferor Company as on the Record Date (as defined under the Scheme) or to their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date or in case Transferor Company is liquidated or wound-up or similar effect is done to the legal status of Transferor Company, to Investor Education and Protection Fund (IEPF) Authority in the following manner:

*"6 (Six) fully paid-up equity shares of Rs. 2 (Two) each of the Transferee Company shall be issued and allotted for every 10000 (Ten Thousand) fully paid-up equity shares of Rs. 10 (Ten) each held in Transferor Company" ("**Share Exchange Ratio**")*

2.4. The issuance of equity shares in accordance with paragraph 2.3 above, in consideration of the amalgamation will be undertaken following effectiveness of the Scheme and these shares shall be listed on the Stock Exchanges.

2.5. Appointed Date means April 1, 2026, or such other date as may be mutually agreed by the Boards of the Transferor Company and the Transferee Company or such other date as may be fixed by the National Company Law Tribunal (**"NCLT"**);

2.6. The Scheme is subject to certain conditions precedent including:

(a) The Scheme being approved by the requisite majority of members and/or secured and unsecured creditors including Holders of NCDs (where applicable) of the Companies in accordance with the Act and the SEBI Scheme Circular, and as may be directed by the NCLT;

(b) receipt of no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 and Regulation 59A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

UNO MINDA LIMITED

(c) all other sanctions and approvals including from Governmental Authorities, as may be applicable, in respect of the Scheme being obtained;

(d) Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and

(e) certified copies of the sanction orders of the NCLT approving the Scheme being filed with the relevant Registrar of the Companies.

3. **Rationale of the Scheme**

The amalgamation would be in the best interest of the companies and their respective shareholders, employees, creditors and other stakeholders for, inter alia, the following reasons:

(a) The Transferor Company was a Joint Venture Company pursuant to Joint Venture Agreement executed on December 19, 2016 between the Company and Onkyo Corporation, Japan. Subsequently Onkyo Corporation, Japan was restructured and the business of speaker was demerged and transferred to Onkyo Sound Corporation. Pursuant to the aforementioned restructuring an addendum to Joint Venture Agreement was entered on March 15, 2021. Subsequently bankruptcy proceedings were initiated against the Joint Venture partner Onkyo Sound Corporation vide order of Osaka, District Court Japan on March 28, 2022. Post that Transferee Company entered into Share Purchase Agreement on August 29, 2024 with Onkyo Sound Corporation and has acquired in tranches the 49% stake held by Onkyo Sound Corporation. The present holding of Transferee Company is 99% in Transferor Company. As the JV agreement has been terminated and the Transferee Company has control over the affairs of Minda Onkyo India Pvt Ltd, Transferor Company, it is more expedient to amalgamate the said company with Transferee Company to have more synergies for business operations and to reduce cost of operations instead of carrying out the operations of Transferor Company as a separate legal entity;

(b) It would result in an amalgamated company that is expected to have improved financial strength. Particularly, the Transferor Company and Transferee Company believe that the combined business will augment revenue growth and merged profitability;

(c) It would facilitate more economic and efficient management, control and running of the businesses of the Company concerned;

(d) It would enable a focused business approach for the maximization of benefits to all stakeholders;

(e) It is expected to achieve simplification of holding structure of entities forming part of the group, improve operational and management efficiencies, streamline business operations and decision-making process and enable greater economies of scale;

UNO MINDA LIMITED

(f) It is expected to achieve greater transparency, operational efficiency and better utilization of resources by combining the business strength of the Transferor Company and the Transferee Company;

(g) It would provide combined access to business relationships and other intangible benefits that the Transferor Company and the Transferee Company have built over the years;

(h) It would significantly enhance scale for the combined business and bridge the gap between the Company and their peers;

(i) strengthening of the Transferee Company's product portfolio.

4. **Need for the amalgamation**

The Scheme would enable significant enhancement of scale for the combined business, a cohesive "go to market" strategy, cross-selling and up-selling opportunities as part of combined business, diversification, reduced concentration risks, combined business to exploit the complimentary capabilities of the combined business including consolidating its position in the speaker business in auto components industry, scaling in high-growth verticals and expand into new verticals.

5. **Synergies of the business of the entities involved**

The amalgamation is expected to enable the combined business to develop stronger relationships across its partner ecosystem, using the augmented intellectual capital and stronger implementation capabilities resulting from the amalgamation. Particularly, the combined business experience and expertise will enable tier-status upgrades with some clients. The amalgamation is expected to create more opportunity for growth in customer relationships/value creation through enhanced attention to brand building, including the corporate brand. Similarly, it is expected that the amalgamation will result in a combined collaboration opportunity with several unique partners.

6. **Impact of the Scheme on the Company, its Shareholders and NCDs holders**

6.1. The amalgamated entity is expected to have improved financial strength. Particularly:

(a) It is expected that the combined business will augment revenue growth and profitability;

(b) expected that the combined balance sheet will provide diverse strategic options and flexibility;

(c) efficiencies and synergies such as optimization of sales, general and administration (SG&A) costs, consolidation of delivery operations and other scale related benefits are expected from the amalgamation.

UNO MINDA LIMITED

6.2. Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and the shareholders of the Transferor Company shall become shareholders of the Company;

6.3. Upon the Scheme becoming effective, the Company will issue and allot 6 (Six) fully paid up equity share of INR 2 (Indian Rupee Two) each of the Company to the equity shareholders of the Transferor Company as on the record date (as defined in the scheme) for every 10,000 (Ten Thousand) fully paid up equity shares of INR 10 (Indian Rupees Ten) each held by such equity shareholder of the Transferor Company. Further, no special valuation difficulties were reported;

6.4. If any shareholder of Transferor Company becomes entitled to a fractional equity share to be issued by the Company, then the treatment of such fractional equity share will be as provided under the Scheme;

6.5. The Committee discussed the salient features, rationale and expected benefits of the Scheme. Accordingly, the Committee is of the view that the rights and interests of the shareholders, including the minority shareholders, of the Company will not be prejudicially affected by the Scheme;

6.6. Pursuant to the Scheme, there will be no change in terms and conditions of the NCDs of the Company. The holders of the NCDs of the Company as on the Effective Date will continue to hold the NCDs, without any interruption and on the same terms including the coupon rate, the tenure, the redemption price, quantum, and the nature of security, ISIN, etc. Accordingly, the interests of the NCD holders are protected;

6.7. Upon the Scheme becoming effective, the said NCDs will continue to be freely tradeable and listed on BSE Limited, thereby providing liquidity to the holders of the NCDs and accordingly, no exit offer is provided to holders of NCDs of the Company. Accordingly, the Scheme will have no adverse impact on the holders of the NCDs of the Company;

6.8. The Audit Committee noted that there are no past pending schemes, open offers or any other pending action which may have an impact on the scheme.

7. **Cost benefit analysis of the Scheme**

The Scheme is expected to increase the value of the Company primarily on account of benefits and synergies detailed above. The benefits of the scheme outweigh such costs for the Company and its stakeholders.

8. **Documents placed before the Audit Committee**

8.1. Proposed Scheme of Amalgamation;

8.2. Valuation report issued by Mr. Gaurang Agarwal, Registered Valuer, ("**Valuation Report**") describing the methodology adopted by them in arriving at the fair value of shares of both

Transferor Company and Transferee Company and the share exchange ratio for the proposed scheme;

8.3. Fairness opinion issued by M/s. 3Dimesion Capital Services Limited, SEBI Registered Category-I Merchant Banker, providing an opinion on the fair value of shares of both transferor Company and transferee Company and the share exchange ratio recommended in the aforesaid Valuation Report.

8.4. Certificate from M/s S. R. Batliboi & Co. LLP (ICAI Reg. No. 301003E/E300005), Statutory Auditor of Transferee Company, (i) certifying the payment/ repayment capability of the Company against outstanding listed Non-Convertible Debentures (NCDs) of the Transferee Company, (ii) confirming the accounting treatment stated in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles;

8.5. Certificate from M/s S. R. Batliboi & Co. LLP (ICAI Reg. No. 301003E/E300005), Statutory Auditor of Transferee Company confirming on non-applicability of Paragraph A.10(b) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 along with undertaking by the Transferee Company in that respect.

9. **Recommendations of the Audit Committee**

9.1. The Audit Committee has reviewed the valuation report and noted the recommendations made therein. Further, the fairness opinion has confirmed that the recommended share exchange ratio by the Valuer in the valuation report are fair to the shareholders of the Company. The Audit Committee has noted that none of the directors or KMPs of the Company have any concern or interest in the Transferor Companies.

9.2. Taking into consideration the draft Scheme, valuation report, fairness opinion, need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders and NCDs holders, cost benefit analysis, and other relevant documents, as placed, the Audit Committee recommends the draft Scheme for favourable consideration and for approval by the Board of the Company, Stock Exchanges and other appropriate authorities.

For and on behalf of the Audit Committee of the Company:

UNO MINDA LIMITED

Name: Rajiv Batra
Designation: Independent Director and Chairperson-Audit Committee
Date: August 04, 2026
Place: Gurugram