

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF UNO MINDA LIMITED
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF KOSEI MINDA ALUMINUM
COMPANY PRIVATE LIMITED, KOSEI MINDA MOULD PRIVATE LIMITED AND MINDA KOSEI
ALUMINUM WHEEL PRIVATE LIMITED WITH UNO MINDA LIMITED.**

MEMBERS:

Mr. Rajiv Batra	- Chairman
Mr. Krishan Kumar Jalan	- Member
Mr. Rakesh Batra	- Member
Mr. Satish Balkrishna Borwankar	- Member
Ms. Rashmi Hemant Urdhwareshe	- Member

1. Background

- 1.1. A meeting of the Committee of the Independent Directors ("Committee") of Uno Minda Limited ("Transferee Company") was held on March 20, 2023 to consider and recommend to the Board of Directors of the Transferee Company ("Board"), the proposed scheme of amalgamation of Kosei Minda Aluminum Company Private Limited ("Transferor Company 1"), Kosei Minda Mould Private Limited ("Transferor Company 2") and Minda Kosei Aluminum Wheel Private Limited ("Transferor Company 3") (collectively "Transferor Companies") with the 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) ("Act") and other applicable laws including the Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665, dated November 23, 2021 issued by the Securities and Exchange Board of India ("SEBI") or any other circulars issues by SEBI applicable to schemes of arrangement from time to time ("SEBI Scheme Circular") and such scheme, 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 Limited (NSE) and BSE Ltd. (BSE) ("Stock Exchanges").



Uno Minda Limited

(Formerly known as Minda Industries Limited)



1.3. In terms of the SEBI Scheme Circular, a report from the Committee recommending the draft Scheme is required, taking into consideration, inter alia, that the Scheme is not detrimental to the shareholders of the Transferee Company. This report of the Committee is made in order to comply with the requirements of the SEBI Scheme Circular.

2. Salient features of the Scheme

2.1. The Scheme is for amalgamating the entire business of the Transferor Companies 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, 1961, including Sections 2(1B) thereof.

2.2. Upon the Scheme becoming effective, the Transferor Companies will dissolve without winding up and in consideration of transfer and vesting of the Transferor Companies 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 1 and Transfer Company 2 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 in the following manner:

"for every 10,000 (Ten Thousand) equity share of face value of Rs. 10 each held in Kosei Minda Aluminum Company Private Limited as on the record date, the equity shareholders thereof shall be issued 13 (Thirteen) equity shares of face value Rs. 2 each of Uno Minda Limited credited as fully paid-up"

"for every 10,000 (Ten Thousand) equity share of face value of Rs. 10 each held in Kosei Minda Mould Private Limited as on the record date, the equity shareholders thereof shall be issued 181 (One Hundred Eighty-One) equity shares of face value Rs. 2 each of Uno Minda Limited credited as fully paid-up"

2.3. The Committee noted that out of three shareholders, two of the shareholders of the Transferor Company 3 viz. Kosei International Trade and Investment Company Limited and Minda Investments Limited, are in the process of selling their entire shareholding in the Transferor Company 3 to the Transferee Company, post which, the Transferor Company 3 will become a wholly owned subsidiary of the Transferee Company prior



Uno Minda Limited

(Formerly known as Minda Industries Limited)



to the Scheme coming into effect. As a result of which the entire shareholding of the Transferor Company 3 shall stand automatically cancelled without any further application, act or deed and no new shares in form of consideration shall be issued against the same for the purposes of the amalgamation of the Transferor Company 3 into the Transferee Company.

- 2.4. The issuance of equity shares in accordance with paragraph 2.2 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. The Appointed Date for the proposed Scheme is April 1, 2023 or such other date as may be mutually agreed by the Boards of the Transferee Company and the Transferor Companies and conveyed to the NCLT (as defined under the Scheme) in writing ("**Appointed Date**"). If and when the Scheme comes into effect upon the satisfaction (or waiver, as the case may be) of the conditions mentioned in the Scheme, it shall be deemed to have taken effect on the Appointed Date.
- 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 (where applicable) of the Companies in accordance with the Act and the SEBI Scheme Circular, and as may be directed by the NCLT;
 - (b) Scheme being approved by the public shareholders of the Transferee Company in terms of Paragraph 10 of the Part I of the SEBI Scheme Circular and this Scheme shall be acted upon only if votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it;
 - (c) Scheme being sanctioned by the NCLT in terms of Section 230 to Section 232 and other relevant provisions of the Act; and
 - (d) certified copies of the sanction orders of the NCLT approving the Scheme being filed with the relevant Registrar of the Company and the Transferor Companies.

Uno Minda Limited

(Formerly known as Minda Industries Limited)



3. Rationale of the Scheme

- 3.1 The amalgamation would be in the best interest of the Company and the Transferor Companies and their respective shareholders, employees, creditors and other stakeholders as the amalgamation is expected to:
- (a) result in an amalgamated company that is expected to have improved financial strength. Particularly, the Transferor Companies and Transferee Company believe that the combined business will augment revenue growth and merged profitability;
 - (b) enable more economic and efficient management, control and running of the businesses of the companies concerned;
 - (c) enable a focused business approach for the maximization of benefits to all stakeholders;
 - (d) 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;
 - (e) achieve greater transparency, operational efficiency and better utilization of resources by combining the business strength of the Transferor Companies and the Transferee Company;
 - (f) provide combined access to business relationships and other intangible benefits that the Transferor Companies have built over the years;
 - (g) significantly enhance scale for the combined business and bridge the gap between the companies and their peers;
 - (h) strengthening of the Transferee Company's Alloy Wheel product portfolio
- 3.2. The amalgamation is in the interest of the Transferee Company and the Transferor Companies, their respective shareholders, creditors and all other stakeholders and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.



4. Need for the amalgamation

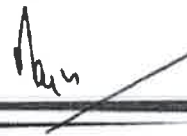
The Scheme would enable significant enhancement of scale for the combined business, a cohesive marketing and selling opportunities as part of combined business, diversification, reduced concentration of risks, combined business to exploit the complimentary capabilities of the combined business including consolidating its position in the alloy wheel 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. Effect of the Scheme on the Shareholders

- 6.1. The Committee discussed the salient features, rationale and expected benefits of the Scheme. The Committee noted that the proposed Scheme is not detrimental to the interest of the shareholders on account of benefits as enumerated above and that the Scheme will unlock long term value.
- 6.2. The Committee also noted that pursuant to the Scheme, the shareholders of the Transferee Company will have a share in returns arising from large business operations and asset base of the Transferee Company.
- 6.3. Considering the overall rationale and benefits of the Scheme, the Committee is of the unanimous view that the Scheme is in the best interest of all stakeholders including the shareholders of the Company. The Scheme will not be detrimental/ adversely affect the rights or interest of any shareholder of the Transferee Company including the minority shareholders, in any manner whatsoever.



Uno Minda Limited

(Formerly known as Minda Industries Limited)



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 Committee.

- 8.1 Draft Scheme, duly initialled by the Company Secretary of the Company for the purpose of identification;
- 8.2 Independent valuation report dated March 20, 2023 ("Valuation Report") issued by M/s Samarth Valuation Advisory LLP (Registered Valuer Entity) describing, *inter alia*, the methodologies adopted by them in arriving at the recommended share exchange ratio and setting out the detailed computation of share exchange ratio for the proposed amalgamation;
- 8.3 Fairness Opinion dated 20th March 2023 issued by M/s 3Dimension Capital Services Limited (SEBI Registered Merchant Banker) providing its opinion on the fairness of share exchange ratio, as recommended in the Valuation Report;
- 8.4 Presentation on proposed merger *inter alia* detailing manufacturing capacities, customers, business size, financials of Transferor Companies, rationale for amalgamation of Transferor Companies with Transferee Company, benefits of merger, cost of merger etc.

9. Recommendations of the Committee

The Committee of Independent Directors, on the basis of its evaluation and independent judgment and taking into consideration that the draft Scheme is not detrimental to the shareholders of the Transferee Company, the share exchange ratio and the Fairness Opinion, approves and recommends the draft Scheme for favourable consideration and approval by the Board of the Transferee Company, Stock Exchanges and other appropriate authorities.

A handwritten signature in black ink, appearing to be 'S. M.', is written over a horizontal line.



Uno Minda Limited
(Formerly known as Minda Industries Limited)



For and on behalf of the Committee of Independent Directors of
Uno Minda Limited



Rajiv Batra
DIN: 00082866
Designation: Chairman
Date: 20-03-2023
Place: Gurugram



