

## STRICTLY PRIVATE AND CONFIDENTIAL

February 06, 2020

To,  
The Board of Directors,  
**Minda Industries Limited,**  
B-64/1, Wazirpur Industrial Area,  
New Delhi – 110 052.

To,  
The Board of Directors,  
**Minda iConnect Private Limited,**  
B-64/1, Wazirpur Industrial Area,  
New Delhi – 110 052

Dear Sirs,

**Sub: Fairness Opinion on Share Exchange Ratio recommended by the Valuer pursuant to the Proposed Scheme**

We refer to the engagement letter dated February 06, 2020 ("Engagement Letter") whereby Minda Industries Limited ("**Transferee Company/Minda**") & Minda iConnect Private Limited ("**Transferor Company /MIPL**"), collectively known as ("**Companies**") have engaged Inga Ventures Private Limited ("Inga"), inter alia, to provide a fairness opinion to the Companies on the Share Exchange Ratio recommended by the report dated February 06, 2020 ("Share Exchange Ratio Report / Valuation Report") issued by SSPA & Co, Chartered Accountants ("SSPA" or "the Valuer") for the proposed amalgamation of MIPL with Minda as a going concern ("**Proposed Amalgamation**") vide a scheme of Amalgamation under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**").

**Company Background and Purpose**

Minda is a public limited company incorporated on September 16, 1992. It is a supplier of automotive solutions to original equipment manufacturers. Its business divisions include Lighting System Division, Switch & Handle Bar System Division, Acoustic Systems Division and Sensors Actuators and Controllers Division. The Company offers a range of products across various verticals of auto components, such as switching systems, acoustic systems and alloy wheels, among others. The equity shares of Minda are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (BSE and NSE are together hereinafter referred to as the "Stock Exchanges").

Minda iConnect Private Limited is a private company incorporated on September 30, 2014. It is engaged in the business of development of software, hardware and designing, programming in automotive mobility and information technology segment, automation providing products & services. MIPL is a part of UNO Minda group which is primarily engaged in delivering enhanced value to car owners and automobile manufacturers and fleet owners by offering end to end 'connected car' solutions under brand name of 'Carot'.

The proposal envisages, inter alia, the Amalgamation of MIPL with Minda, whereby equity shares of Minda will be issued to the shareholders of MIPL. The Valuer has arrived at a swap ratio ("Share Exchange Ratio") of 10 (Ten) equity shares of Minda having a face value of INR 2/- each fully paid up for every 179 (One Hundred & Seventy Nine) equity shares of MIPL having a face value of INR 10/- each fully paid up.







The Companies in terms of the Engagement Letter have requested us to issue our independent opinion as to the fairness of the Share Exchange Ratio recommended by the valuer ("Fairness Opinion").

### Source of Information

For arriving at the opinion set forth below, we have received:

1. Share Exchange Ratio Report issued by the Valuer;
2. Annual Reports / consolidated / standalone audited financial statements of Minda and its Subsidiaries, Joint Ventures and Associates for the financial year ('FY') ended March 31, 2019
3. Management certified provisional consolidated financial statements of Minda along with its Subsidiaries, Joint Ventures and Associates for 6 months period ended on September 30, 2019 ('6ME Sep19') and for 6 months period ended on September 30, 2018 ('6ME Sep18')
4. Audited Financial Statements of MIPL for the year ended March 31, 2019
5. Management certified provisional financial statements of MIPL for 6ME Sep19
6. Financial projections of MIPL comprising of balance sheet, profit & loss statement and capital expenditure for six (6) month period ended on March 31, 2020 ('6ME Mar20') and from FY 2020-21 to FY 2024-25, as provided by the management of MIPL
7. Other relevant details regarding Minda & MIPL such as their history, past and present activities, future plans and prospects, existing shareholding pattern, ESOP, income- tax position and other relevant information and data, including information in the public domain
8. Certain explanations and information from the representatives of the Companies

### Scope 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 the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

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 Companies and its related parties (holding company / subsidiary /associates /joint ventures etc.) 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 Companies and its related parties.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and its related parties.

We understand that the management of Companies, 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, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Proposed Scheme. 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 an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, its related parties or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to Minda's and MIPL's underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the Companies with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of Minda will trade following the announcement of the Proposed Amalgamation or as to the financial performance of Minda and MIPL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in Minda or MIPL or any of its related parties.

### **Conclusion**

Based on our examination of the Share Exchange Ratio/Valuation Report, such other information / undertakings / representations provided to us by the management of Minda and MIPL and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuer of the Share Exchange Ratio is fair and reasonable for the shareholders of Minda and MIPL which is as under:.

**10 (Ten) Equity shares having a face value of 2/- each fully paid up in Minda for every 179 (One Hundred & Seventy Nine) equity shares having a face value of INR 10/- each fully paid up in MIPL.**

### **Distribution of the Fairness Opinion**

The Fairness Opinion is addressed only to the board of Directors of Companies and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of Minda and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the Companies. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, Minda or MIPL may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to Minda or MIPL promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.





In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

**For Inga Ventures Private Limited**

*K. R. Shah*



**Kavita Shah**

**Partner**