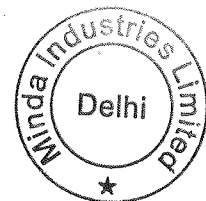


**REPORT OF THE AUDIT COMMITTEE OF MINDA INDUSTRIES LIMITED  
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN MINDA  
I CONNECT PRIVATE LIMITED ("TRANSFEROR COMPANY") AND MINDA  
INDUSTRIES LIMITED ("TRANSFeree COMPANY") AND THEIR RESPECTIVE  
SHAREHOLDERS AND CREDITORS ("SCHEME")**

<b>Members present:</b>	Ms. Pravin Tripathi Mr. Krishan Kumar Jalan Mr. Satish Sekhri Mr. Anand kumar Minda
<b>By Invitation</b>	Mr. Sunil Bohra- Group CFO Mr. Sanjay Jain- Vice President – Corporate Planning & Finance Mr. Vijay K Wadhvani-GM-Accounts & Finance Mr. Tripurari Kumar- GM Finance
<b>In attendance</b>	Mr. Tarun Kumar Srivastava, Company Secretary & Compliance Officer

**1. Background**

- 1.1. A meeting of the Audit Committee of the Company was held on Thursday, the 06<sup>th</sup> February, 2020 started at 10:00 a.m. at Minda Corporate office, Board Room, Village Nawada Fatehpur, PO Sikanderpur Badda, Manesar Gurgaon-122004 wherein one of the agenda was to consider and recommend the Draft scheme of Amalgamation between Minda I Connect Private Limited ("Transferor Company") and Minda Industries Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- 1.2. The Transferee Company is a listed public company incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.3. The Transferor Company is a Private Limited Company incorporated under the provisions of the Companies Act, 2013.
- 1.4. This report of the Audit Committee is made in order to comply with the requirements of the SEBI circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017, including amendments thereto, issued under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 1.5. The following documents were placed before the Audit Committee:
  - (a) Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;
  - (b) Joint Valuation report dated February 06, 2020 ("Valuation Report") issued by SSPA & Co. Chartered Accountants, describing the methodology adopted by them in arriving at the fair value of shares and the share exchange ratio; and
  - (c) Fairness opinion dated February 06, 2020 ("Fairness Opinion") issued by M/s. Inga Ventures Private Limited, Category I, SEBI registered Merchant Banker providing an opinion on the share exchange ratio recommended in the aforesaid Valuation Report.



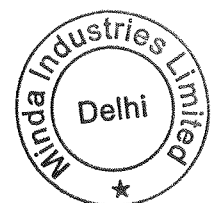
**2. Proposed Scheme**

2.1. The Audit Committee noted the rationale and the benefits of the Scheme which, *inter-alia*, are as follows:

1. The Transferor Company and Transferee Company are engaged in auto component business;
2. The Transferor Company is a developer of software, hardware and designing, programming in automotive mobility and information technology segment, automation providing products and solutions and consultancy services incidental thereto;
3. The Transferor Company is in business of development of software, hardware, designing, programming in automotive mobility and information technology segment and automation providing products. Transferor Company Brand - I Connect and Carot have been established as a leading telematics brand in India (HW and IT).
4. The Transferee Company desires to expand its business in automotive components and this amalgamation would lead to improved customer connect and enhanced market share across product segments relating to auto sector;
5. The Transferor Company's products like software, hardware, designing, programming in automotive mobility and information technology segment will synergize well with the product groups of the Company;
6. The amalgamation will help the Transferee Company in creation of platform for a new business / product and to act as a gateway for growth and will ensure better operation management and expansion of business operations;
7. By this amalgamation and through enhanced base of product offerings, the Transferee Company would serve as One-stop solution for wide range of components / products to the original equipment manufacturers (OEMs) and others;
8. The proposed amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme would enable companies to realise benefits of greater synergies between their businesses and avail of the financial, managerial, technical, distribution and marketing resources of each other towards maximising stakeholder value;
9. Opportunities for employees of the Transferee Company and Transferor Company to grow in a wider field of business;
10. Improvement in competitive position of the Transferee Company as a combined entity and also access to marketing networks/customers;
11. The Scheme enables the Transferee Company to have control over the operations of the Transferor Company;
12. The Scheme shall not in any manner be prejudicial to the interests of the concerned shareholders, creditors or general public at large.

2.2. The Salient feature(s) of the draft Scheme are as under:

- (a) The Scheme of Amalgamation between Transferor Company and the Transferee Company will consequently issue equity shares to the shareholders of the Transferor Company by the Transferee Company which shall be in the interest of the shareholders at large.



*[Handwritten signature]*

- (b) The Scheme of Amalgamation between Transferor Company with the Transferee Company will realize better synergy between the Transferor Company and the Transferee Company.

The Audit Committee reviewed the Valuation Report and noted the recommendations made therein. Further, the Fairness Opinion confirmed that the share exchange ratio mentioned in the Valuation Report is fair to the shareholders of the Company.

### 3. Recommendation of the Audit Committee

Taking into consideration the draft Scheme, Valuation Report and Fairness Opinion as placed, the Audit Committee recommends the draft Scheme to the Board of Directors of the Company for its consideration and approval.

By Order of the Audit Committee  
For and on Behalf of Minda Industries Limited

*Pravin Tripathi*

Pravin Tripathi  
Chairperson  
Audit Committee

Date: 6/2/2020

