MINDA INDUSTRIES LIMITED

Regd. Office: B-64/1, Wazirpur Industrial Area, Delhi-110052

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

SCHEDULE OF MEETING

DATE	:	SATURDAY, MARCH 26, 2011
TIME	:	2:30 P.M.
VENUE	:	B-64/1, WAZIRPUR INDUSTRIAL AREA, DELHI-110052

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IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

COMPANY APPLICATION (M) NO. 219 OF 2010

IN THE MATTER OF

Sections 391 and 394 of the Companies Act, 1956

AND

IN THE MATTER OF AMALGAMATION OF

1. MINDA ACOUSTIC LIMITED
Regd. Off. - B-64/1, Wazirpur Industrial Area, Delhi-110052 — Applicant /Transferor Company

with

2. MINDA INDUSTRIES LIMITED
Regd. Off. - B-64/1, Wazirpur Industrial Area, Delhi-110052 — Applicant /Transferee Company

NOTICE CONVENING MEETING

To

The Equity Shareholders of Minda Industries Limited, the Applicant /Transferee Company

TAKE NOTICE that by an Order made on 27th January, 2011 the Hon'ble High Court has directed that a meeting of the Equity Shareholders of the Applicant /Transferee Company be held at B-64/1, Wazirpur Industrial Area, Delhi- 110052, on Saturday, the 26th day of March, 2011, at 2.30 P.M. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of amalgamation of the Minda Acoustic Limited (Applicant / Transferor Company) with Minda Industries Limited (Applicant / Transferee Company).

TAKE FURTHER NOTICE that in pursuance of the said order, a meeting of Equity Shareholders of the Company will be held at B-64/1, Wazirpur Industrial Area, Delhi-110052, on Saturday, the 26th day of March, 2011, at 2.30 P.M when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Company at B-64/1, Wazirpur Industrial Area, Delhi-110052 not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Mr. Darpan Wadhwa, Advocate, as Chairperson and Mr. Shariq Mohammad, Advocate as Alternate Chairperson of the said meeting.

A copy each of the Scheme of amalgamation, the Statement under section 393 of the Companies Act, 1956, attendance slip and a Form of Proxy is enclosed. The above reference Scheme of Amalgamation, if approved in the meeting, will be subject to a subsequent approval of Hon'ble High Court of Delhi at New Delhi.

Dated: 1st day of March, 2011

Place: New Delhi

[Darpan Wadhwa]
Chairman appointed for the Meeting

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

COMPANY APPLICATION (M) NO.219 OF 2010

IN THE MATTER OF

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1. MINDA ACOUSTIC LIMITED
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with

2. MINDA INDUSTRIES LIMITED
Regd. Off. - B-64/1, Wazirpur Industrial Area, Delhi-110052 Applicant/Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated 27th January, 2011 passed by the Hon'ble High Court of Delhi at New Delhi, on the Company Application referred to above, a separate meetings of the Equity Shareholders, and the Unsecured Creditors of the Applicant / Transferee Company and a separate meetings of the Unsecured Creditors of the Applicant /Transferor Company are being convened for the purposes of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of Minda Acoustic Limited with Minda Industries Limited which is annexed to the notice. The said order will be available for inspection at the Registered Office of the said Applicant Companies at B-64/1, Wazirpur Industrial Area, Delhi-110052 between 10:00 A.M to 5:00 P.M. on any working day (i.e. Monday to Friday) prior to the date of the meeting.

2. The above Scheme of Amalgamation has been approved by the respective Board of Directors of the Applicant Companies at their meetings duly convened and held on 29th July, 2010.

3. The Transferor Company was originally incorporated on 07.07.2004 under the name and style of 'FIAMM MINDA AUTOMOTIVE LIMITED' with the Registrar of Companies, NCT of Delhi & Haryana. Thereafter vide a resolution in terms of section 21 of the Act, the name of the Transferor Company was changed from Fiamm Minda Automotive Limited to Minda Acoustic Limited and a fresh certificate of incorporation was issued on 08.09.2009.

4. The registered office of the Transferor Company is situated at B-64/1, Wazirpur Industrial Area, Delhi- 110052.

5. The Transferor Company is mainly engaged in the business of manufacturing and marketing of automobiles horns.

6. The Present Authorised Share Capital of the Minda Acoustic Limited (Transferor Company) is Rs. 51,00,00,000./- (Rupees Fifty one crores) divided into 4,10,00,000 (Four Crore Ten Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 1,00,00,000(One crore) 1% Non-Cumulative Fully Convertible Preference Shares of Rs.10/- (Rupees Ten) each. (The present Issued, Subscribed and Paid-up Share Capital of the Company is Rs.23,82,55,450./- (Rupees Twenty Three Crores Eighty Two Lacs Fifty Five Thousand Four Hundred Fifty only) divided into 2,38,25,545(Two Crores Thirty Eight Lacs Twenty Five Thousand Five Hundred and Fourty Five) Equity Shares of Rs. 10/- (Rupees Ten) each.

7. The Transferee Company was incorporated on 16.09.1992 under the name and style of Minda Industries Limited with the Registrar of Companies, Delhi & Haryana.

8. The Registered office of the Transferee Company is situated at B-64/1, Wazirpur Industrial Area, Delhi-110052.

9. The Transferee Company is engaged in the business of manufacturing of switches, lamps, blow moulding and batteries for automobiles.

10. The Present Authorised Share Capital of the Minda Industries Limited (Transferee Company) is Rs. 69,13,14,500./- (Rupees Sixty Nine Crores Thirteen Lacs Fourteen Thousand Five Hundred only) divided into 2,25,00,000 (Two Crore Twenty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each, 30,00,000 (Thirty Lacs) 9% Cumulative Redeemable Preference Shares of Rs.10/-(Rupees Ten) each **(Class A Preference Shares)**, 1,83,500 (One Lacs Eighty Three Thousand Five Hundred) 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187/-(Rupees Two thousand One Hundred Eighty Seven) each **(Class B Preference Shares)** and 35,00,000 (Thirty Five Lacs) 3% Cumulative Redeemable Preference Shares of Rs.10/-(Rupees Ten) each **(Class C Preference Shares)**.

    The Present issued and Subscribed Share Capital of the Minda Industries Limited (Transferee Company) is Rs. 59,54,16,420./- (Rupees Fifty Nine Crores Fiftyfour Lacs Sixteen Thousand Four Hundred Twenty only) divided into 1,29,10,192 (One Crore Twenty Nine Lacs Ten Thousand One hundred Ninety Two) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 30,00,000 (Thirty Lacs) 9% Cumulative Redeemable Preference Shares of Rs.10/-(Rupees Ten) each (Class A Preference Shares), 1,83,500 (One Lacs Eighty Three Thousand Five Hundred) 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187/-(Rupees Two thousand One Hundred Eighty Seven only) each (Class B Preference Shares) and 35,00,000 (Thirty Five Lacs) 3% Cumulative Redeemable Preference Shares of Rs.10/-(Rupees Ten) each (Class C Preference Shares).

    The present Paid up Share capital of the Minda Industries Limited (Transferee Company) is Rs. 56,54,16,420/- (Rupees Fifty Six Crores Fifty Four Lacs Sixteen Thousand Four Hundred and Twenty Only) divided into 1,29,10,192 (One Crore Twenty Nine Lacs Ten Thousand One hundred Ninety Two) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 1,83,500 (One Lac Eighty Three Thousand Five Hundred) 3% Cumulative Compulsorily Convertible Preference

Shares of Rs 2187/- (Rupees Two Thousand One Hundred and Eighty Seven Only) each (Class B Preference Shares), 35,00,000 (Thirty Five Lacs) 3% Cumulative Redeemable Preference Shares of Rs 10/- (Rupees Ten Only) each (Class C Preference Shares).

11. The main objects of the Transferor Company and the Transferee Company has been set out in the respective Memorandum of Association of the respective Applicant Companies.

12. Rationale for the Amalgamation is set out in the Scheme.

13. The salient features of the Scheme are as under:

[The reference of clauses and sub clauses herein below refers to those of the Scheme]

"This Scheme of Amalgamation provides for the amalgamation of Minda Acoustic Limited with Minda Industries Limited. The Scheme deals with the following parts:

Part I: Introduction and Rationale;

Part II: Definitions and Share Capital;

Part III: Amalgamation of MAL with MIL;

Part IV: Accounting Treatment;

Part V: General Clauses;

Part VI: General Terms and Conditions.

PART I
INTRODUCTION AND RATIONALE

1. INTRODUCTION

1.1 Minda Acoustic Limited (the ***"Transferor Company"***) was originally incorporated as Fiamm Minda Automotive Limited on July 07, 2004. The Transferor Company is engaged in the business of manufacturing and marketing of automobiles horns and disks for two wheeler, three wheelers and Four wheelers market.

1.2 Minda Industries Limited (the ***"Transferee Company"***) was incorporated on September 16, 1992. The Transferee Company is engaged in the business of manufacturing of switches, lamps, blowmoulding and batteries for automobiles.

1.3 The equity shares of the Transferee Company are listed on the Bombay Stock Exchange, Delhi Stock Exchange and the National Stock Exchange.

PART II
DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

3.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

"Act"	means the Companies Act, 1956 and includes any statutory modifications, re-enactments or amendments thereto, from time to time;
"Appointed Date"	means the commencement of business on 1st April , 2010 or such other date as the Hon'ble High Court of Delhi at New Delhi may direct;
"Companies"	means collectively the Transferor Company and the Transferee Company;
"Court" or "High Court"	means the Hon'ble High Court of Delhi at New Delhi, and shall include the National Company Law Tribunal, if applicable;
"Effective Date"	means the date on which the transfer and vesting of the entire undertaking of the Transferor Company shall take effect, i.e., the date as specified in Clause 19 of the Scheme;
"Governmental Authority"	means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;
"New Equity Shares"	means the meaning ascribed to the term in Clause 7.1 of the Scheme;
"Scheme"	means this Scheme of Amalgamation, in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961, in its present form submitted to the High Court of Judicature at Delhi with modification(s), approved or imposed or directed by the High Court;
"Share Entitlement Ratio"	means the meaning ascribed to the term in Clause 7.1 of the Scheme;
"Stock Exchanges"	means collectively the Bombay Stock Exchange, the Delhi Stock Exchange and the National Stock Exchange where equity shares of the Transferee Company are currently listed;
"Transferee Company"	means Minda Industries Limited, a Company incorporated under the Act and having its Registered Office at B-64/1, Wazirpur Industrial Area, Delhi-110052;

"Transferor Company" means Minda Acoustic Limited, a Company incorporated under the Act and having its Registered Office at B-64/1, Wazirpur Industrial Area, Delhi-110052;

"Undertaking" means the whole of the undertaking and entire business of the Transferor Company as a going concern, including and without limitation (in each case as on the Appointed Date and as modified and altered from time to time to the Effective Date):

(a) All the assets and property of the Transferor Company;

(b) All debts, liabilities, duties and obligations of whatsoever nature of the Transferor Company;

(c) Without prejudice to the generality of sub-clauses (a) and (b) above, the undertaking of the Transferor Company , as a going concern, including its business, shall include all secured and unsecured debts, liabilities, duties and obligations, all rights, privileges, powers and authorities and

(d) all the properties, whether movable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, in possession or reversion, present, future or contingent of whatsoever nature including in particular, but without being limited to fixed assets, current assets, receivables ,investments, technologies, claims, powers, authorities, allotments, approvals, permissions, licenses, consents, registrations, statutory licenses, no- objection certificates, contracts, engagements, arrangements, rights, titles, interests, quotas, benefits, advantages of whatsoever nature and liberties, easements, exemptions lease-hold rights, tenancy rights, permits, approvals, authorisations, quota rights, right to use and avail of telephones, telefaxes, facsimile connections, equipments, all installations and utilities, electricity, powerlines, communication lines water and other service connections, records, files, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales tax, turnover tax, excise, permits, entitlements, contracts and

arrangements and balances with all regulatory authorities, brand, all copyrights, trademarks, service marks, know-how, technical know-how, tradenames, trading style, franchise, labels, label designs, colour schemes, holograms, barcodes designs, patents, and other industrial or intellectual property rights of any nature whatsoever and all the liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatever nature and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company and all other rights, powers of every kind nature and description whatsoever, privileges, benefits, sanctions, approvals available under any rules, regulations, statutes including direct and indirect tax laws derived by the Transferor Company.

PART III
AMALGAMATION OF MAL WITH MIL

5. TRANSFER AND VESTING OF THE UNDERTAKING

5.1 With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the entire business and Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, in accordance with Section 2(1B) of the Income Tax Act, 1961 and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.

5.2 The assets of the Transferor Company shall upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act on the Appointed Date and the vesting of all such assets shall take place effect.

5.3 The assets of the Transferor Company, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.

5.4 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, including all the leases, of the Transferor Company shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

5.5 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.

7. ISSUE OF SHARES

7.1 Upon the Scheme coming into effect, without any further act or deed on the part of the Transferee Company, the Transferee Company will issue and allot 11,20,164 equity shares of Rs.10 each fully paid up (the **"New Equity Shares"**). The New Equity Shares will be issued to registered equity shareholders whose name are recorded in the register of members of the Transferor Company and to other nominees of the Transferor Company in the ratio of 100:1798, i.e. 100 equity share(s) of the Transferee Company for every 1798 equity share of the Transferor Company) (the **"Share Entitlement Ratio"**)

7.2 The approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be due compliance of the provision of Section 81(1A) and other relevant and applicable provision of the Act for the issue and allotment of the New Equity Shares by the Transferee Company to the shareholders of the Transferor company in terms of Clause 7.1 above.

PART V
GENERAL CLAUSES

10. EMPLOYEES OF TRANSFEROR COMPANY

10.1 Upon the coming into effect of this scheme, all the employees of the Transferor company who are in its employment as on the Effective Date shall become the employees of the Transferee Company without any break or interruption in their service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The position, rank and designation of the employees would however be decided by the Transferee Company.

10.2 The existing Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents whatsoever in relation to the administration or operation of such Scheme or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme or funds and it is the intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Scheme, funds, trusts etc.

14. RATIFICATION

14.1 Except as provided in the Clauses above, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking and executed by and/or on behalf of the Transferor Company on and after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

PART VI
GENERAL TERMS AND CONDITIONS

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

17.1 The Transferee Company and the Transferor Company through their respective Board of Directors may make or assent from time to time, on behalf of persons concerned, to any modifications/amendments to this Scheme or to any conditions or limitations which the Court(s) and/or any authorities under the law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for carrying the Scheme into effect.

17.2 In order to give effect to this Scheme or to any modifications or amendments, thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

17.3 In the event that any conditions are imposed by any competent authority or the Court(s) which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from this Scheme.

18. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

18.1 The Sanction of the Scheme by the High Court under Section 391 of the said Act and the appropriate orders being made by the High Court pursuant to Section 394 of the said Act for amalgamation

under the Scheme and filing of the Certified Copies of such Orders with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi.

18.2 The Transferor Company and / or the Transferee Company shall also obtain such other consents or approvals as may be required under any statute or contract not specifically referred to in Clause 18.1 of the Scheme.

19. EFFECTIVE DATE OF THE SCHEME

19.1 The Scheme, though operative from the Appointed Date, shall be effective from the date on which certified copies of the High Court order under Sections 391 and 394 of the Act are filed with the Registrar of Companies, NCT of Delhi & Haryana.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.THE AFORESAID ARE ONLY THE SALIENT FEATURES THEREOF.

14. On considering the facts and circumstances the Board of Directors of the Transferor Company as well as the Transferee Company have approved the proposed Scheme of Amalgamation.

15. The ratio in which the shares in the Transferee/Applicant Company shall be allotted to the Shareholders of the Transferor Company has been fixed on the basis of recommendations made by M/s. Jain Ajay & Associates . Chartered Accountants, upon which M/s. Nexgen Financial Solutions Private Limited, a SEBI registered Category I Merchant Banking Company have given “Fairness Opinion” in respect of the Valuation of Shares done by the valuer for the Transferee Company and the Transferor company, which has been accepted and approved by the concerned Board of Directors of the Applicant Companies.

16. The Directors of the Applicant Companies have no material interest in the Scheme of Amalgamation except as shareholder in general. The list of Directors of the Transferor and Transferee Company and their individual shareholding in the respective Applicant Companies is as under:

A. Shareholding of Present Directors of the Transferor Company

S. No.	Name of Directors	No. of Shares held in	
		Minda Acoustic Limited	*Minda Industries Limited
1.	Mr. Nirmal K. Minda	2197600	2299645
2.	Mr. Pradeep Kumar Tewari	NIL	NIL
3.	Mr. Vijay Kumar Jain	200	51
4	Mr. Sudhir Jain	200	80
5	Mr. Rakesh Sony	NIL	NIL

** Directors holding in Minda Industries Ltd. as on 31.12.2010 is increased by Equity Shares allotted on 26.2.2011 pursuant to amalgamation of Minda Autogas Ltd. With Minda Industries Ltd. as per the Delhi High Court Order dated 25.01.2011*

B. Shareholding of Present Directors of the Transferee Company

S. No.	Name of Directors	No. of Shares held in	
		Minda Acoustic Limited	* Minda Industries Limited
1.	Mr. Nirmal K. Minda	2197600	2299645
2.	Mr. Ashok Minda	NIL	NIL
3.	Mr. Vivek Jindal	NIL	NIL
4	Mr. Surendra K. Arya	NIL	NIL
5.	Mr. Alok Dutta	NIL	NIL
6.	Mr. Subhash Chndra Lakhotia	NIL	NIL
7.	Mr. Rakesh Sony	NIL	NIL
8.	Mr. Satish Sekhri	NIL	NIL

** Directors holding in Minda Industries Ltd. as on 31.12.2010 is increased by Equity Shares allotted on 26.2.2011 pursuant to amalgamation of Minda Autogas Ltd. With Minda Industries Ltd. as per the Delhi High Court Order dated 25.01.2011*

17. The Pre Amalgamation and expected post amalgamation shareholding pattern of the Transferee Company is shown below:

S. No.	**Category of Shareholder**	***Pre Merger**		**Post Merger**	
		Total No. of Shares	**% age of total number of shares**	**Total No. of Shares**	**% age of total number of shares**
A.	**Promoter and Promoter Group**	95,10,877	73.67%	1,04,67,800	74.61%
B.	**Public Shareholding**				
1.	Institutions & Non Institutions excluding Trust	33,67,130	26.08%	35,30,371	25.16%
2.	Independent Non Promoter Trust	32,185	0.25%	32,185	0.23%
	Sub Total B (1)+(2)	33,99,315	26.33%	35,62,556	25.39%
	Grand total (A)+(B)	1,29,10,192	100%	1,40,30,356**	100%

** Pre merger Shreholding Pattern of Minda Industries Ltd. as on 31.12.2010 is increased by Equity Shares allotted on 26.2.2011 pursuant to amalgamation of Minda Autogas Limited With Minda Industries Ltd. as per the Delhi High Court Order dated 25.01.2011.*

*** 183,500 3% Cumulative Compulsorily convertible Preference Shares of Rs. ,2,187 each have been allotted on 17.02.2010 with a right of conversion into 10 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 208.70 per share within a period not exceeding eighteen months from the date of allotment.*

18. The rights and interests of the members and the creditors of the Applicant Companies will not be prejudicially affected by the Scheme.

19. No investigation or proceedings have been instituted or are pending against the Applicant Companies under Section 235 to 251 of the Companies Act, 1956.

20. A copy of the Scheme of Amalgamation and the Explanatory Statement may be obtained from the registered office of the Applicant Companies or from the office of their Advocate – Lex Nexum (Advocates & Legal Consultants) Mr. Rohit Aggarwal / Ms. Beena Pandey, 246, Anarkali Complex, Jhandewalan Extn., New Delhi – 110055.

21. Copies of the following documents are open for inspection at the Registered Office of the Transferee/Applicant Company between 10.00 A.M. to 5.00 P.M. on any working day, except Saturday and Sunday, prior to the date of the meeting.

    i. Certified Copy of the order dated 27th January,2011 passed by the Hon'ble High Court of Delhi at New Delhi in Company Application (M) No. 219 of 2010 directing the convening of the meetings of the Equity Shareholders and Unsecured Creditors of the Transferee Company and the Unsecured Creditors of the Transferor Company.

    ii. Copy of no objection letters received from National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Delhi Stock Exchange Limited respectively.

    iii. Memorandum and Articles of Association of the Applicant Companies;

    iv. Copy of the audited accounts of the Applicant companies for the financial Year 2009-2010.

    v. Copy of Scheme of Amalgamation;

    vi. Copy of the valuation report issued by M/s. Jain Ajay & Associates . Chartered Accountants;

    vii. Copy of Fairness Opinion issued by M/s. Nexgen Financial Solutions Private Limited, a SEBI registered Category I Merchant Banking Company.

[Darpan Wadhwa]
Chairman appointed for the Meeting

Dated:1st day of March, 2011

SCHEME OF AMALGAMATION

OF

MINDA ACOUSTIC LIMITED

("MAL" or "Transferor Company")

WITH

MINDA INDUSTRIES LIMITED

("MIL" or "Transferee Company")

AND

their respective Shareholders and Creditors

(under sections 391-394 read with sections 100 to 104 of the Companies Act, 1956)

This Scheme of Amalgamation provides for the amalgamation of Minda Acoustic Limited with Minda Industries Limited. The Scheme deals with the following parts:

Part I : Introduction and Rationale;

Part II : Definitions and Share Capital;

Part III : Amalgamation of MAL with MIL;

Part IV : Accounting Treatment;

Part V : General Clauses;

Part VI : General Terms and Conditions.

PART I
INTRODUCTION AND RATIONALE

1. INTRODUCTION

1.1 Minda Acoustic Limited (the "Transferor Company") was originally incorporated as Fiamm Minda Automotive Limited on July 07, 2004. The Transferor Company is engaged in the business of manufacturing and marketing of automobile horns and disks for two wheeler, three wheelers and four wheelers market .(merger with mfal)

1.2 Minda Industries Limited (the "Transferee Company") was incorporated on September 16, 1992. The Transferee Company is engaged in the business of manufacturing of switches, lamps, blowmoulding and batteries for automobiles.

1.3 The equity shares of the Transferee Company are listed on the Bombay Stock Exchange, Delhi Stock Exchange and the National Stock Exchange.

2. RATIONALE FOR AMALGAMTION

2.1 The amalgamation of the Transferor Company with the Transferee Company would lead to better integration and a smoother flow of information and operation and there would be a synergy in terms of administration costs as well as simplification and flexibility of operations.

2.2 All the shareholders of the Transferor Company will benefit from the amalgamation. Since the Transferee Company is a listed company, upon amalgamation, the shareholders of the Transferor Company will get liquidity, giving the benefit to use their investment in the manner they deem fit.

2.3 The amalgamation will result in increased financial strength and flexibility, and enhance the ability of the Transferee Company to undertake large projects, thereby contributing to enhancement of future business potential.

2.4 The Transferee Company will have the ability to leverage on its large asset base enabling the Transferee Company to enhance shareholder value.

2.5 The integrated facilities of the amalgamated entity, leading market share and specialised skills will provide a unique competitive advantage for future growth opportunities.

2.6 Both the Transferor Company and the Transferee Company share the common corporate values. These values include protection of the environment, active support for the communities where they operate, promoting diversity and opportunity in the workforce and among business partners, and provide sustained returns to shareholders.

2.7 Both the Transferor Company and the Transferee Company are in similar line of businesses. The focus of activities of the companies is similar. The activities of the companies complement each other and the combined efforts and resources would lead to a more concentrated approach towards development of the business of the amalgamated entity and will enable the Transferee Company to undertake large scale operations with the help of a larger asset base.

2.8 The amalgamation will facilitate realisation of maximum efficiency and to explore more opportunities in terms of expanding the total market base of the Transferee Company with additional resources on a substantial scale.

2.9 The shareholders, employees and other stakeholders of the Companies would benefit as the Transferee Company would now have a larger asset base and increased capacities with sufficient scope for higher volumes of business, creating more job opportunities, increasing overall improvement in the performance of the company and future expansion.

2.10 Upon amalgamation, the creditors of the Companies would be better placed and will have larger asset cover available in the form of the merged entity. There is no likelihood that any creditor, either of the Transferor Company or of the Transferee Company, would be prejudiced as a result of the Scheme.

2.11 The amalgamation will enhance the bargaining power resulting in better financial performance on all the fronts which will facilitate better resource mobilisation and thereby give inherent strength to improve and expand and thus withstand competition from domestic as well as international markets.

2.12 There will be increase in the overall profitability as the administrative expenses and various managerial costs will reduce.

PART II
DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

3.1 In this Scheme, unless inconsistent with the subject or context, the following expression shall have the following meanings:

"Act"	means the Companies Act, 1956 and includes any statutory modifications, re-enactments or amendments thereto, from time to time;
"Appointed Date"	means the commencement of business on April 1st, 2010 or such other date as the Hon'ble High Court Delhi at New Delhi may direct;
"Companies"	means collectively the Transferor Company and the Transferee Company;
"Court" or "High Court"	means the Hon'ble High Court of Delhi at New Delhi, and shall include the National Company Law Tribunal, if applicable;
"Effective Date"	means the date on which the transfer and vesting of the entire undertaking of the Transferor Company shall take effect, i.e., the date as specified in Clause 19 of this Scheme;
"Governmental Authority"	means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;
"New Equity Shares"	means the meaning ascribed to the term in Clause 7.1 of this Scheme;
"Scheme"	means this Scheme of Amalgamation, in accordance with the provisions of Section 2(1B) of the Income Tax

	Act, 1961, in its present form submitted to the High Court of Judicature at Delhi with modification(s), approved or imposed or directed by the High Court;
"Share Entitlement Ratio"	means the meaning ascribed to the term in Clause 7.1 of this Scheme;
"Stock Exchanges"	means collectively the Bombay Stock Exchange, the Delhi Stock Exchange and the National Stock Exchange where equity shares of the Transferee Company are currently listed;
"Transferee Company"	means Minda Industries Limited, a company incorporated under the Act and having its Registered Office at B 64/1Wazirpur Industrial Area, Delhi 110052;
"Transferor Company"	means Minda Acoustic Limited, a company incorporated under the Act and having its Registered Office at B 64/1Wazirpur Industrial Area, Delhi 110052;
"Undertaking"	means the whole of the undertaking and entire business of the Transferor Company as a going concern, including and without limitation *(in each case as on the Appointed Date and as modified and altered from time to time to the Effective Date):* (a) All the assets and property of the Transferor Company; (b) All debts, liabilities, duties and obligations of whatsoever nature of the Transferor Company; (c) Without prejudice to the generality of sub-clauses (a) and (b) above, the undertaking of the Transferor Company , as a going concern, including its business, shall include all secured and unsecured debts, liabilities, duties and obligations, all rights, privileges, powers and authorities and (d) all the properties, whether movable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, in possession or reversion, present, future or contingent of whatsoever nature including in particular, but without being limited to fixed assets, current assets, receivables ,investments,

technologies, claims, powers, authorities, allotments, approvals, permissions, licenses, consents, registrations, statutory licenses, no- objection certificates, contracts, engagements, arrangements, rights, titles, interests, quotas, benefits, advantages of whatsoever nature and liberties, easements, exemptions lease-hold rights, tenancy rights, permits, approvals, authorisations, quota rights, right to use and avail of telephones, telefaxes, facsimile connections, equipments, all installations and utilities, electricity, powerlines, communication lines water and other service connections, records, files, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales tax, turnover tax, excise, permits, entitlements, contracts and arrangements and balances with all regulatory authorities, brand, all copyrights, trademarks, service marks, know-how, technical know-how, tradenames, trading style, franchise, labels, label designs, colour schemes, holograms, barcodes designs, patents, and other industrial or intellectual property rights of any nature whatsoever and all the liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatever nature and wheresoever situated belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company and all other rights, powers of every kind nature and description whatsoever, privileges, benefits, sanctions, approvals available under any rules, regulations, statutes including direct and indirect tax laws derived by the Transferor Company.

4. SHARE CAPITAL

4.1 The Present Share Capital of the Transferee Company is as under:

Particulars	Amount (Rs.)
***Authorised Share Capital:**	
1,50,00,000 equity shares of Rs.10 each	15,00,00,000
30,00,000 9% Cumulative Redeemable Preference Shares of Rs.10 each (Class A Preference Shares)	3,00,00,000
1,83,500 3% Cumulative Compulsorily Convertible Preference Shares of Rs,2187 each (Class B Preference Shares)	40,13,14,500
35,00,000 3% Cumulative Redeemable Preference Shares of Rs.10 each (Class C Preference Shares)	3,50,00,000
Issued, Subscribed and Paid-up Share Capital:	
1,05,05,064 equity shares of Rs.10 each	10,50,50,640
30,00,000 9% Cumulative Redeemable Preference Shares of Rs.10 each (Class A Preference Shares)	3,00,00,000
1,83,500 3% Cumulative Compulsorily Convertible Preference Shares of Rs,2187 each (Class B Preference Shares)	40,13,14,500
35,00,000 3% Cumulative Redeemable Preference Shares of Rs.10 each (Class C Preference Shares)	3,50,00,000

*The Authorised Share Capital would stand increase to Rs.69,13,14,500 (Rupees Sixty Nine Crore Thirteen Lacs Fourteen Thousand Five Hundred) divided into 2,25,00,000 (Two Crore Twenty Five Lacs) equity shares of Rs.10 (Rupees Ten) each, 30,00,000 (Thirty Lacs) 9% Cumulative Redeemable Preference Shares of Rs.10 (Rupees Ten) each (Class A Preference Shares), 1,83,500 (One Lakh Eighty Three Thousand Five Hundred) 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 (Rupees Two Thousand One Hundred Eighty Seven) each (Class B Preference Shares) and 35,00,000 (Thirty Five Lacs) 3% Cumulative Redeemable Preference Shares of Rs.10 (Rupees Ten) each (Class C Preference Shares) consequent to the amalgamation of Minda Autogas Limited with Minda Industries Limited under a separate Scheme of Amalgamation pending for approval before Hon'ble Delhi High Court.

4.2 The Share Capital of the Transferor Company is as under:

Particulars	Amount (Rs.)
Authorised Share Capital:	
4,10,00,000 equity shares of Rs.10 each	41,00,00,000
1,00,00,000 1% Non Cumulative Fully Convertible Preference Shares of Rs.10 each	10,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
2,38,25,545 equity shares of Rs.10 each	23,82,55,450

PART III
AMALGAMATION OF MAL WITH MIL

5. TRANSFER AND VESTING OF THE UNDERTAKING

5.1 With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the entire business and Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, in accordance with Section 2(1B) of the Income Tax Act, 1961 and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.

5.2 The assets of the Transferor Company shall upon the Scheme coming into effect, without any further act, instrument or deedbe transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act on the Appointed Date and the vesting of all such assets shall take place effect.

5.3 The assets of the Transferor Company, acquired by the Transferor Company after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.

5.4 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Company in any leasehold properties, freehold properties including all the leases, of the Transferor Company shall, pursuant to Section 394(2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

5.5 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licences, registrations, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to any Governmental Authority as may be necessary in this behalf.

5.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occur by virtue of this Scheme itself, the Transferee Company may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company is the party or any writing as may be necessary

to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities, compliances referred to above on the part of the Transferee Company to be carried out or performed in relation to the Undertaking being transferred by the Transferor Company.

5.7 To the extent there are inter-corporate loans, debts and claims, (including, amounts receivable, if any, by the Transferor Company from the Transferee Company or vice versa), the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of the Transferee Company. If required reduction/cancellation of such loans, debts and claims (including, receivables) shall be reflected in the books of accounts and records of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of such inter-corporate loans or debts (including receivables) balances between the Transferee Company on the one hand, and, the Transferor Company, on the other hand.

5.8 With effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

5.9 With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities, if any, of the Transferor Company shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.

5.10 The transfer and vesting of the undertaking shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company and extend to property and assets or any part thereof of the Transferee Company as agreed between the bankers, financial institutions and the transferee company.

5.10.1 Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee

Company shall continue with respect to such assets or part thereof and extend to property and assets or any part thereof of the Transferor Company.

5.10.2 Provided however, any reference in any security documents or arrangements, to which the Transferor Company is party, wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference to the assets pertaining to the Undertaking as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage may extend or be deemed to extend, to the assets of the Transferee Company as agreed between the bankers, financial institutions and the transferee company.

5.10.3 All the loans, advances and other facilities sanctioned to the Transferor Company by their bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilised either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Transferor Company (within the over all limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.

5.11 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961.

5.12 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, their respective financial statements and returns along with prescribed forms, filings and annexure under the relevant labour laws, Income tax, sales tax including value added tax, service tax and other tax laws, and to claim refunds and/or credits for dues and/or taxes paid.

5.13 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, as the case maybe.

5.14 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

5.15 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes (whether in the form of duties, cesses, fees, levies or by whatever name called) allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for such taxes (including advance tax and tax deducted at source) as on the date immediately preceding the Appointed Date shall also be transferred to the account of the Transferee Company.

5.16 Any refund under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Company due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

5.17 All taxes (including, income tax, minimum alternate tax, service tax) paid or payable by the Transferor Company on or before the Appointed Date shall be on account of the Transferor Company, and in so far as it relates to the payment of taxes after the Appointed Date, such taxes shall be deemed to be the corresponding tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

6. DISSOLUTION OF TRANSFEROR COMPANY

6.1 On the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding up and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

7. ISSUE OF SHARES

7.1 Upon the Scheme coming into effect, without any further act or deed on the part of the Transferee Company, the Transferee Company will issue and allot 11,20,164 equity shares of Rs.10 each fully paid up (the “New Equity Shares”). The New Equity Shares will be issued to registered equity shareholders whose name are recorded in the register of members of the Transferor Company and to other nominees of the Transferor Company in the ratio of 100:1798, i.e. 100 equity share(s) of the Transferee Company for every 1798 equity share of the Transferor Company (the “Share Entitlement Ratio”).

7.2 The approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be due compliance of the provision of Section 81(1A) and other relevant and applicable provision of the Act for the issue and allotment of the New Equity Shares by the Transferee Company to the shareholders of the Transferor company in terms of Clause 7.1 above. .

7.3 The New Equity Shares to be issued and allotted by the Transferee Company in terms of Clause 7.1 shall rank pari passu in all respects, including dividends, with the existing Equity shares of the Transferee Company.

7.4 The Board of Directors of the Transferee Company shall consolidate all fractional entitlements, if any, arising at the time of issue and allotment of the New Equity Shares in the Transferee Company, after rounding them off to nearest decimal to the respective shareholders;

7.5 The New Equity Shares to be issued by the Transferee Company as per the ratio set out in Clause 7.1 shall be issued in physical form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company, on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the New Equity Shares shall be issued to such members in physical form. In the event that the Transferee Company has received notice from any member that equity shares are to be issued in dematerialised form , then the Transferee Company shall issue equity shares in dematerialised form to such member or members.

7.6 For the purpose of issue of New Equity Shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Transferee Company of the equity shares issued to the members of the Transferor company under the Scheme.

7.7 All the New Equity Shares, so issued and allotted by the Transferee Company to the Transferor Company in terms of Clause 7.1 above shall be listed and/or admitted to trading on the relevant Stock Exchanges in India, where the existing Equity shares of the Transferee Company are listed. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with applicable laws or regulations for complying with the formalities of the said Stock Exchanges.

7.8 Upon the scheme coming into effect, entire issued share capital and share certificates of the Transferor Company shall automatically stand cancelled.

8. REORGANIZATION OF THE SHARECAPITAL OF THE TRANSFEREE COMPANY

8.1 Upon the Scheme coming into effect 36,85,000 equity shares of the face value of Rs.10 each fully paid up to Rs.3,68,50,000 of the Transferor Company held by the Transferee Company in the Transferor Company shall be cancelled.

8.2 The reduction in the issued, subscribed and paid-up share capital as above, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 100 to 104 of the Act as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital. The order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction without imposing a condition on the Transferor Company or the Transferee Company to add to its name “and reduced”. The provisions of Section 101 of the Act shall not be applicable.

8.3 The authorized share capital of the Transferor Company will get merged with the Transferee Company to form new authorized share capital of the Transferee company. Accordingly, as part of this Scheme and without following any separate procedure in this regard, the authorised share capital of the Transferee Company shall stand increased to this extent without payment of any fees or charges to the Registrar of Companies and/or to any other government authority

and the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and other applicable provisions of the Act, 1956 as follows:

Clause V relating to the authorised share capital of the Memorandum of Association of the Transferee Company shall read as under:

"The Authorised Share Capital of the Company is Rs. 1,20,13,14,500 (Rupees One Twenty Crores Thirteen Lacs Fourteen Thousand Five Hundred Only) divided into 6,35,00,000 (Six Crore Thirtyfive Lacs) equity shares of Rs.10 (Rupees Ten only) each, 30,00,000 (Thirty Lacs) 9% Cumulative Redeemable Preference Shares of Rs.10 (Rupees Ten Only) each (Class A Preference Shares), 1,83,500 (One Lakh Eighty Three Thousand Five Hundred) 3% Cumulative Compulsorily Convertible Preference Shares of Rs.2,187 (Rupees Two Thousand One Hundred Eighty Seven Only) each (Class B Preference Shares), 35,00,000 (Thirty Five Lacs) 3% Cumulative Redeemable Preference Shares of Rs.10 (Rupees Ten Only) each (Class C Preference Shares), and 1,00,00,000 (One Crores) 1% Non-Cumulative Fully Convertible Preference Shares of Rs.10 (Rupees Ten Only) (Class D Preference Shares)".

8.4 The Transferee Company shall increase/modify its authorised shares capital for implementing the terms of the Scheme, to the extent necessary.

PART IV
ACCOUNTING TREATMENT

9. ACCOUNTING TREATMENT IN BOOKS OF TRANSFEREE COMPANY

9.1 Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:

9.1.1 The amalgamation shall be an "Amalgamation in the nature of Merger" as defined in the Accounting Standard 14 issued by the Institute of Chartered Accountants of India and shall be accounted for under the "pooling of interests" method in accordance with the Accounting Standard 14;

9.1.2 Accordingly, all the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values in the books of the Transferor Company respectively, as on the Appointed Date;

9.1.3 All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. The debit balance of the Profit & Loss Account of the Transferor Company/Transferee Company, if any, will be adjusted/ offset against the credit balance of the Profit & Loss Account of the (other) Transferor Company/Transferee Company;

9.1.4 In terms of the provisions of the Accounting Standard 14, any surplus/deficit arising out of amalgamation shall be adjusted in the General Reserve of the Transferee Company;

9.1.5 The accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation;

PART V
GENERAL CLAUSES

10. EMPLOYEES OF TRANSFEROR COMPANY

10.1 Upon the coming into effect of this scheme, all the employees of the Transferor company who are in its employment as on the Effective Date shall become the employees of the Transferee Company without any break or interruption in their service and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Company. The position, rank and designation of the employees would however be decided by the Transferee Company.

10.2 The existing Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, , upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents whatsoever in relation to the administration or operation of such Scheme or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme or funds and it is the intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continued for the purpose of the aforesaid Scheme, funds, trusts etc.

11. CONTRACTS, DEEDS, ETC.

11.1 Upon the coming into effect of this scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party which is subsisting or having effect immediately before or after the Effective Date shall remain in full force against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall, if necessary, to give formal effect to this Clause, enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company is a party.

11.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into, or issue or, execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company to be carried out or performed.

11.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Undertaking shall stand transferred to the Transferee Company, as if the same were originally given by, issued or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

12. LEGAL PROCEEDINGS

12.1 On and from the Appointed Date, all suits, actions, claims and legal proceedings by or against the Transferor Company be pending and/or arising on or before the Effecive Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company , as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may,if required, initiate any legal proceedings for and on behalf of the Transferor Company.

13. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

13.1 From the Appointed Date until the Effective Date:

13.1.1 The Transferor Company shall carry on the business and activities in the normal course of business till the vesting of the Undertaking on the sanction of the Scheme by the High Court of Judicature at Delhi and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of the Undertaking for and an account of and in trust for the Transferee Company;

13.1.2 All the profits or income accruing or arising to the Undertaking or the expenditure or losses arising or incurred by the Undertaking shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company;

13.1.3 The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of its assets and liabilities of those pertaining to the Undertaking and the present capital structure.

14. RATIFICATION

14.1 Except as provided in the Clauses above, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking and executed by and/or on behalf of the Transferor Company on and after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

15. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

15.1 At any time upto the Effective Date:

15.1.1 The Transferor Company shall not declare or pay dividends which are interim or final to their respective members relating to any period commencing on or after the Appointed Date;

15.1.2 The Transferor Company shall not issue or allot any equity shares or any other security converting into equity shares or obtain any other financial assistance converting into equity shares or obtain any other financial assistance.

PART VI
GENERAL TERMS AND CONDITIONS

16. APPLICATION TO HIGH COURT

16.1 The Transferor Company and the Transferee Company hereto shall, make applications/petitions under Sections 391 and 394 of the said Act to the Hon'ble High Court of Delhi, at New Delhi for sanctioning this Scheme.

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

17.1 The Transferee Company and the Transferor Company through their respective Board of Directors may make or assent from time to time, on behalf of persons concerned, to any modifications/amendments to this Scheme or to any conditions or limitations which the Court(s) and/or any authorities under the law may deem fit to approve or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for carrying the Scheme into effect.

17.2 In order to give effect to this Scheme or to any modifications or amendments, thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

17.3 In the event that any conditions are imposed by any competent authority or theCourt(s) which the Transferor Company or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from this Scheme.

18. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

18.1 The Sanction of the Scheme by the High Court under Section 391 of the said Act and the appropriate orders being made by the High Court pursuant to Section 394 of the said Act for amalgamation under the Scheme and filing of the Certified Copies of such Orders with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi.

18.2 The Transferor Company and / or the Transferee Company shall also obtain such other consents or approvals as may be required under any statute or contract not specifically referred to in Clause 18.1 of the Scheme.

19. EFFECTIVEDATE OF THE SCHEME

19.1 This Scheme, though operative from the Appointed Date, shall be effective from the last of the dates on which certified copies of the High Court order under Sections 391 and 394 of the Act are filed with the Registrar of Companies, NCT of Delhi & Haryana.

20. DATE OF TAKING EFFECT

20.1 The Scheme shall come into legal operation from the Appointed Date and shall become effective from the Effective Date.

21. EFFECT OF NON-RECEIPT OF APPROVALS

21.1 In the event of any of the said sanction and approval referred to in the preceding Clause 18 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court of Delhi, at New Delhi and/or the Order(s) not being passed as aforesaid within 12 months of the first filing with the Hon'ble High Court of Delhi, at New Delhi, or within such further period(s) as may be agreed upon from time to time between the Transferor Company and the Transferee Company through their respective Board of Directors, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or as may otherwise arise as per law. In such case each company shall bear its own costs, charges and expenses. For the purpose of giving full effect to this Scheme, the respective Board of Directors of the Transferor Company and the Transferee Company are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.

22. COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

22.1 All costs, charges and expenses of the Transferor Company and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever except in the circumstances mentioned in Clause 21 above, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
COMPANY APPLICATION (M) NO.219 OF 2010
IN THE MATTER OF
Sections 391 and 394 of the Companies act, 1956
AND
IN THE MATTER OF AMALGAMATION OF

1. MINDA ACOUSTIC LIMITED
Regd. Off. - B-64/1, Wazirpur Industrial Area, Delhi-110052 Applicant/Transferor Company

With

2. MINDA INDUSTRIES LIMITED
Regd. Off. - B-64/1, Wazirpur Industrial Area, Delhi-110052 Applicant/Transferee Company

FORM OF PROXY

I/We _____, the undersigned, equity shareholder(s) of Minda Industries Limited, the Applicant Company above named, hereby appoint Mr./Ms._____of_____ _____failing him/her, Mr./Ms._____ of_____as my/our proxy to act for me/us at the meeting of the Equity shareholder(s) of the said Applicant Company, to be held at B-64/1, Wazirpur Industrial Area, Delhi-110052 on Saturday, the 26th day of March, 2011 at 2.30 P.M., for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of the Transferor Company with the Transferee Company as named above and at such meeting and at any adjournment thereof, to vote for me/us and in my/our name _____ _____(here, if "for", insert "for" and if "against", insert "against" and in the latter case, strike out the words appearing after the " Scheme of Amalgamation") the said Scheme of Amalgamation, either with or without modification (s)*, as my / our proxy may approve.

*strike out what is not necessary.

Dated this _____day of _____2011

Signature_____ Revenue Stamp

Name _____

Address_____ of Re. 1.00

Note: 1. The Proxy must be deposited at the Registered Office of the Company not later than 48 (Forty Eight) hours before the time fixed for holding of the meeting.

2. All alterations made in the proxy form should be initialed.

MINDA INDUSTRIES LIMITED

Attendance Slip (Entrance Pass)

I hereby record my presence at the meeting of the Equity Shareholder(s) of Minda Industries Limited held at B-64/1, Wazirpur Industrial Area, Delhi-110052 on Saturday, the 26th day of March, 2011 at 2.30 p.m.

Name of the Equity Shareholders /proxy holder: _____

Signature of the Equity Shareholders /proxy: _____

BOOK-POST / U.P.C.

If undelivered, please return to:

MINDA INDUSTRIES LIMITED
B-64/1, Wazirpur Industrial Area
Delhi-110052

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