

Samarth Valuation Advisory LLP

Registered Valuer Entity

51/4, Primrose Street,
Vatika City, Sector 49,
Gurugram, Haryana-122018
info@samarthvaluation.com

March 20, 2023

To,
The Board of Directors

Uno Minda Limited
Village Nawada Fatehpur, P.O. Sikanderpur Badda,
Manesar, Gurugram, Haryana-122004

Kosei Minda Aluminum Company Private Limited
603, 204, RNS 20 A & B, SIPCOT Industrial Growth Centre,
Renault Nissan Suppliers Park, Vadakkupattu Village,
Sriperumbedur Taluk, Oragadam, Tamil Nadu 603204

Kosei Minda Mould Private Limited
Plot No. 382A, Sector 3, Phase 2,
Industrial Model Twp, Bawal, Haryana 123501

Sub: Recommendation of Fair Share Exchange Ratio Report for the proposed Amalgamation of Kosei Minda Aluminum Company Private Limited and Kosei Minda Mould Private Limited in Uno Minda Limited

Dear Sir(s) / Madam,

This has reference to our formal engagement letter dated March 18, 2023 and various discussions that we had and the information that we have received from the management and key executives of Kosei Minda Aluminum Company Private Limited (hereinafter referred to as "KMA" or "Transferor Company No. 1"), Kosei Minda Mould Private Limited (herein after referred as "KMM" or "Transferor Company No. 2"), and Uno Minda Limited (herein after referred to as "UML" or "Transferee Company") wherein management of the above companies have requested Samarth Valuation Advisory LLP, Registered Valuer Entity, Registered with Insolvency and Bankruptcy Board of India (herein after referred to as 'Valuer', 'We') to recommend Fair Share Exchange Ratio report for proposed Amalgamation of Kosei Minda Aluminum Company Private Limited and Kosei Minda Mould Private Limited with Uno Minda Limited and their respective shareholders (hereinafter referred to as "Proposed Scheme"), under Section 230-232 of the Companies Act 2013 (the "Act"), read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

KMA and KMM are hereinafter jointly referred to as "Specified Companies".

BRIEF BACKGROUND OF THE SPECIFIED COMPANIES

Uno Minda Limited:

Uno Minda Limited together with its subsidiaries, manufactures and sells auto components in India and internationally. It provides auto electrical parts, including switches, horns, alloy wheels automotive seat and lighting products. The company's products include switching systems and handlebar solutions for two/three-wheelers and offroad vehicles; sensors, actuators, and controllers, including start-stop sensors, contact and non-contact type speed sensors, HID ballasts, tire pressure monitoring systems, electronic accelerator pedal modules, and DC-DC converters; and lights for two, three, and four-wheelers, as well as off-road vehicles.



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Kosei Minda Aluminium Company Limited:

Kosei Minda Aluminum Company Private Limited is a Joint Venture between Kosei Aluminum Co. Ltd and Uno Minda Limited. KMA is engaged in the development, manufacturing, and sales of aluminium alloy wheels and precision aluminium die casting parts for major OE car manufacturers and aftermarket. KMA has a strong local production base to offer market-leading, technology-intensive Alloy wheels and aluminium die casting Parts to India and global OEMs.

Kosei Minda Mould Private Limited:

Kosei Minda Mould Private Limited is a Joint Venture between Kosei International Trade and Investment Company Limited and Uno Minda Limited. KMM is engaged in the manufacturing, design and development of tools, dies and moulds of any shapes, diameters, specifications, capacities, and applications for alloy wheels.

SCOPE AND PURPOSE

We understand that the management of Specified Companies (the "Management") is proposing Scheme of Amalgamation of KMA and KMM into and with UML and their respective shareholders, with effect from the proposed appointed date of April 1, 2023 ("Appointed Date"), under Section 230-232 of the Companies Act 2013, read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (herein after referred to as "Amalgamation"). As a consideration for this proposed Amalgamation, equity shareholders of KMA and KMM would be issued Equity Shares of UML respectively in lieu of their holding in the respective Specified Companies.

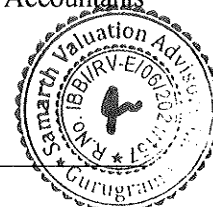
We understand that post approval/ effectiveness of the Proposed Scheme, the Equity Shares will be issued by the UML to shareholders of Transferor Company Nos. 1 and 2.

Upon coming into effect of the Proposed Scheme and with effect from the Appointed Date or such other date as approved by National Company Law Tribunal and subject to the terms of the Proposed Scheme, all assets and liabilities of KMA and KMM shall stand transferred to and vested in and be available to UML and as consideration, equity shareholders of KMA and KMM would be issued Equity Shares of UML in lieu of their holding in the respective KMA and KMM. On the Proposed Scheme becoming effective and with effect from the Appointed Date, KMA and KMM shall stand dissolved.

For the aforesaid purposes, the Board of Directors of Specified Companies have appointed Samarth Valuation Advisory LLP, Registered Valuer Entity, Registered with Insolvency and Bankruptcy Board of India to compute a Fair Equity Share Exchange Ratio of UML to be issued to shareholders of KMA and KMM, pursuant to the Proposed Scheme.

We understand from the Management that, the Proposed Scheme shall come into legal operation from the Appointed Date i.e., April 1, 2023 or such other date as may be approved by the Hon'ble National Company Law Tribunal (hereinafter referred to as "NCLT") or Hon'ble National Company Law Appellate Tribunal (hereinafter referred to as "NCLAT"), or any other competent court(s), judicial or quasi-judicial authority(ies) or any other competent authority(ies) having power to sanction this Proposed Scheme, as the case may be.

The scope of our service is to conduct relative valuation of equity shares of Specified Companies and recommend a Fair Share Exchange Ratio for the proposed Amalgamation in accordance with Internationally Accepted Valuation Standards / ICAI Valuation standards 2018 issued by Institute of Chartered Accountants of India.



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We have considered financial information up to January 01, 2023 (the “**Valuation Date**”) in our analysis and adjusted for facts made known (past or future) to us till the date of our report, including taking into consideration current market parameters, which will have a bearing on the valuation analysis. We have relied on the above while arriving at the fair share exchange ratio for the proposed Amalgamation.

We would like to emphasize that certain terms of the Proposed Scheme of Amalgamation are stated in our report, however the detailed terms of the Proposed Scheme of Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

We have been informed that from the Appointed Date and up to the date of the approval/sanction of the Proposed Scheme:

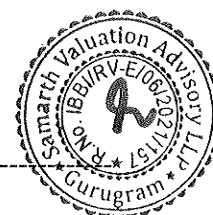
1. The Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business and undertakings for and on account of and in trust for the Transferee Company.
2. Any income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company.
3. Till the proposed Amalgamation becomes effective, neither of the Transferor Companies (i.e., Transferor Company No. 1 and Transferor Company No. 2) shall declare any dividends materially different from previous years without prior written consent of the Board of Directors of the Transferee Company
4. There are no unusual/abnormal events in the Specified Companies since the last audited accounts till the Report date materially impacting their operating/financial performance except those disclosed to valuer.

We have relied on the above while arriving at the fair share exchange ratio for the proposed Amalgamation.

This report is our deliverable in respect of our recommendation of the Fair Share Exchange Ratio for the proposed Amalgamation.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality and not in parts.

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SOURCES OF INFORMATION

In connection with the exercise, we have received the following information from the Management of the Specified Companies:

- Provisional financial statements of the KMA and KMM for the period ended January 01, 2023.
- Limited Reviewed Results of the UML for the period ended December 31, 2022.
- Audited financial statements / Annual Report of the Specified Companies and UML, for the year ended March 31, 2022 and March 31, 2021.
- Detailed business profile and information of current business operations of the Specified Companies and UML.
- Shareholding pattern of the Specified Companies, as on Valuation Date.
- Fair valuation report of Plant and Machinery of KMA and KMM issued by Mr. Devendra Kumar Malhotra having IBBI/RV/05/2018/10424.
- Fair valuation report of Land and Building of KMA issued by Mr. Phul Kumar Gaur having IBBI Reg. No. IBBI/RV/11/2019/12698.
- Proposed Scheme of Amalgamation.
- Management Representation Letter addressed to us.
- Information available in public domain and databases such as S&P Capital IQ and other subscribed databases.
- Such other information and explanations as were required by us and were furnished by the Management of the Specified Companies and UML.

During the discussions with the Management, we have also obtained explanations and information considered reasonably necessary for our exercise. The Management have been provided with the opportunity to review the draft report as a part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our report.

Identity of Valuer and disclosure of Interest or Conflict

Name: Samarth Valuation Advisory LLP

Address: 51/4, Primrose Street, Vatika City, Gurugram, Haryana – 122018

IBBI Registered valuer registration no.: IBBI/RV-E/06/2021/157

IBBI Assets class registration: Securities and Financial Assets

Partner: Romesh Vijay, Registered Valuer: Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2019/11008

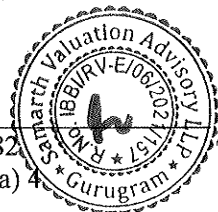
ICAI RVO Membership No. 00575/2018-19

ICAI Membership no.: 411274

Romesh has 13+ years of professional experience in business valuation and corporate finance and Assurance Services. He is also partner with Jain Jindal & Co., Chartered Accountants. He has undertaken valuation for large Indian corporates, multinational companies and startups for regulatory, transaction and accounting purposes.

He is qualified as a rank holder Chartered Accountant in 2008.

We are an independent valuer and are not affiliated to the Specified Companies being valued in any manner whatsoever. We do not have a present or prospective interest in the property that is the subject of this report, and we have no (or the specified) personal interest with respect to the parties involved.



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We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Date of appointment

We have been formally appointed by the Board of Directors of KMA vide resolution dated March 17, 2023, by the Board of Directors of KMM vide resolution dated March 18, 2023 and by the Board of Directors of UML vide resolution dated March 18, 2023 and formal engagement letter dated March 18, 2023.

Valuation Standards

Our valuation methodologies and approaches are in conformity with Valuation Standards issued by the ICAI. The Valuation Standards issued by ICAI set out concepts, principles and procedures which are generally accepted internationally having regard to legal framework and practices prevalent in India.

Valuation Base and Premise of Value

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ('ICAI VS'), considering 'relative value' base and 'going concern' premise. Valuation base means the indication of the type of value being used in an engagement. Any change in the Valuation base, or the Valuation premise could have a significant impact on the Valuation outcome of the Companies.

We have used fair value Base of Valuation and Going Concern basis Premise for the valuation of shares as stated in *ICAI Valuation Standard 102 Valuation Bases*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the Valuation Date.

Going concern value is the value of a business enterprise that is expected to continue to operate in the future.

Valuation Date

The reference date for the purposes of this valuation exercise of KMA and KMM is January 01, 2023. Further reference date for UML is as per SEBI ICDR Regulations. The latest audited financial statements provided by the Management for the Specified Companies are for the year ended March 31, 2022.

As mentioned earlier, we understand from the Management that there have been no significant/ abnormal events in the Specified Companies since the last audited accounts till the Report date materially impacting their operating/ financial performance except those are disclosed to us.

Restriction for use of report

Our report is issued for limited purposes of determination of Fair Share Exchange Ratio and should not be used for any other purposes. We understand that the Specified Companies are required to submit this report to Regulatory Authorities including National Company Law Tribunal and Consultants advising on Amalgamation. To the fullest extent permitted by law, we accept no responsibility or liability to any other party except Specified Companies, in connection with this report.



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Inspection/ Investigation Undertaken

- ✓ We have enquired and understood the historic audited financial statements and the provisional financial statements as on Valuation Date
- ✓ We have understood the business of the Specified Companies and key factors affecting their business
- ✓ We have further enquired the assumptions considered for revenue, cost and working capital forecasting for KMA and KMM.
- ✓ Conducting enquiry and discussions of information received from Management of the Specified Companies.
- ✓ We have further discussed contingent liabilities with Management and understood the Management assessment of the contingent liabilities.

Procedures adopted in carrying out the valuation

- ✓ Requested and received financial and qualitative information
- ✓ Obtained data available in public domain
- ✓ Discussed (physical/ over call) with Management:
 - Details of Proposed Scheme, Understanding the business fundamental factors that affects its earning generating capacity including strengths, weakness opportunity and threats and historic financial performance
- ✓ Research publicly available market data including the economic factors and industry trends that may impact valuation
- ✓ Selection of generally accepted valuation methodology/(ies) as considered appropriate by us including computation of Weighted Average Cost of Capital and Cost of Equity and Computation of Terminal Value of the Specified Companies.
- ✓ Arrived at valuations of the Companies using the method/(s) considered appropriate.
- ✓ Arrived at the fair share exchange ratio for the Proposed Amalgamation of KMA and KMM with UML.

Other confirmations

- ✓ We have got adequate information and time for carrying out the valuations of the Specified Companies.
- ✓ Assumptions used by management/others in developing projections have been appropriately reviewed by us, we have made enquiries regarding the basis of key assumptions in context of business being valued and the industry / economy; and

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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further our report on recommendation of Fair Share Exchange Ratio is in accordance with ICAI Valuation Standards 2018.

This report has been prepared for the Board of Directors of the Specified Companies solely for the purpose of recommending a Fair Share Exchange Ratio for the proposed Amalgamation.

The estimates of value contained herein are not intended to represent value of the Specified Companies at any time other than January 1, 2023, as per the agreed scope of our engagement.

Valuation analysis and results are also very specific to the date of this report. This report is issued on the understanding that the Management has drawn our attention to all the matters, which it is aware of concerning the financial position of the business and any other matter, which may have an impact on our analysis, on the value of the unquoted equity shares of the Specified Companies, including any significant changes that have taken place or are likely to take place in the financial position of the business.

Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.

The Management has represented that the Specified Companies have clear and valid title of assets. No investigation on the Specified Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.

The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.

For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Specified Companies is that of the Specified Companies. Also, with respect to explanations and information sought from the Specified Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Specified Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements by the Management may materially affect our valuation analysis/conclusions. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable.

In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/ obtained was materially misstated/incorrect or would not afford reasonable grounds upon which to base the report.



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A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Specified Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Specified Companies including any significant changes that have taken place or are likely to take place in the financial position of the Specified Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

The Report assumes that the Specified Companies complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that it will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to the following matters:

- ✓ Matters of a legal nature, including issues of legal title and compliance with local laws, and
- ✓ Litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company

We are not aware of any contingency, commitment or material issue which could materially affect the Specified Companies economic environment and future performance and therefore, the fair value of the Specified Companies business. No effort has been made to determine the possible effect, if any, on the subject business due to future central, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

The fee for the engagement and this report is not contingent upon the results reported. We have no present or contemplated financial interest in any of the Specified Companies.

Our report is not, nor should it be construed as opining or certifying the compliance of the proposed Amalgamation with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.

Any person/party intending to provide finance/invest in the shares /business of the Specified Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

The decision to implement the Proposed Scheme (including issue of consideration thereunder) lies entirely with the Management and our work and our finding shall not constitute a recommendation as to whether or not the Management should implement the Proposed Scheme.

This Report is meant for the purpose mentioned in earlier only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Specified Companies and for submission to any regulatory/ statutory authority/ NCLT as may be required under any law. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.



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Our scope of work is limited to recommendation of the Fair Share Exchange Ratio based on the fair equity value of respective companies. It does not include recommendation on the proposed restructuring carried out as part of the Proposed Scheme.

This report, its contents, and the analysis herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement, (ii) the report date and (iii) are based on the Unaudited financial statements of the KMA and KMM as of January 1, 2023. The Management of the Specified Companies have represented that the business activities of the Specified Companies have been carried out in the normal and ordinary course between January 1, 2023 and the Report date and that no material changes have occurred in their respective operations and financial position between January 1, 2023 and the Report date.



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SHAREHOLDING PATTERN OF THE SPECIFIED COMPANIES

As of December 31, 2022, the authorised capital of UML is as follows:

Particulars	No. of Shares	Amount (Rs. in Mn)
Equity Shares of Rs. 2/- each	73,62,13,000	1,472.43
8% Non-Cumulative Redeemable Preference Shares of Rs 10 /- each	2,75,00,000	275.00
0.01% Non-Convertible Redeemable Preference Shares of Rs 100 /- each	3,36,94,945	3,369.49
Total		5,116.92

As of December 31, 2022, the paid-up capital of UML is as follows:

Particulars	No. of Shares	Amount (Rs. in Mn)
Equity Shares of Rs. 2/- each fully paid up	57,29,31,494	1,145.86
Total	57,29,31,494	1,145.86

Shareholding of UML as of December 31, 2022 is as under

Particulars	% Holding
Promoters	70.07%
FII's	8.88%
DII's	14.97%
Public	6.08%
Total	100.0%

Kosei Minda Aluminum Company Private Limited

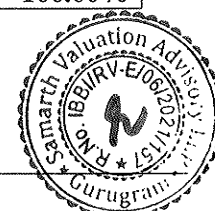
As of December 31, 2022, the paid-up capital of KMA is as follows:

Particulars	No. of Shares	Amount (Rs. In Mn)
Equity Shares of Rs. 10/- each fully paid up	1,56,91,237	1,569.91
Total	1,56,91,237	1,569.91

Shareholding as at December 31, 2022 is as under

Particulars	No. of Shares	% Stake
Kosei Aluminum Company Limited	10,91,62,586	69.53%
Kosei Aluminum (Thailand) Company Limited	1,90,91,280	12.16%
Uno Minda Limited	2,87,37,371	18.31%
Total	15,69,91,237	100.00%

Source – Management



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Kosei Minda Mould Private Limited

As of December 31, 2022, the paid up capital of KMM is as follows:

Particulars	No. of Shares	Amount (Rs. in Mn)
Equity Shares of Rs. 10/- each fully paid up	12,708,708	127.09
Total	12,708,708	127.09

Shareholding as at December 31, 2022 is as under

Particulars	No. of Shares	% Stake
Kosei International Trade and Investment Company Limited	63,67,063	50.10%
Uno Minda Limited	63,41,645	49.90%
Total	1,27,08,708	100.00%

Source – Management

