

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.

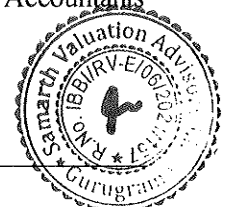
We understand that post approval/ effectiveness of the Proposed Scheme, the Equity Shares will be issued by the UML to shareholders of Transferor Company Nos. 1 and 2.

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:

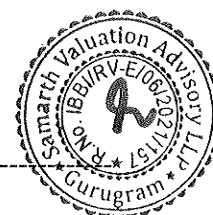
1. The Transferor Companies shall carry on and be deemed to have carried on all its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its business and undertakings for and on account of and in trust for the Transferee Company.
2. Any 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

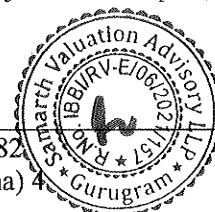
ICAI RVO Membership No. 00575/2018-19

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.

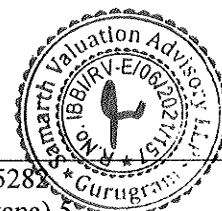
Valuation Date

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

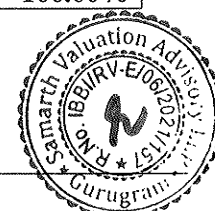
As of December 31, 2022, the paid-up capital of KMA is as follows:

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



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Approach – Proposed Scheme of Amalgamation

The Proposed Scheme of Amalgamation contemplates the amalgamation of KMA and KMM into and with UML under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

In order to arrive at the Fair Share Exchange Ratio for the purposes of a merger of the Specified Companies, in lieu of the proposed Amalgamation, would require determining the relative values of each of the Specified Companies involved. These values are to be determined independently but on a relative basis, and without considering the effect of the merger.

There are several internationally accepted and commonly used valuation methodologies for determining the fair value of the shares of a Company, whose shares are not listed on a stock exchange such as:

1. Assets approach – Cost Approach – methodology
2. Income Approach - Discounted Cash Flow ("DCF") methodology.
3. Market approach
 - a) Comparable Company Multiples ("CCM") methodology.
 - b) Comparable Transaction Multiples ("CTM") methodology.
 - c) Market Price

These have been considered in present case, to the extent relevant and applicable, to determine the fair value of the equity shares of Specified Companies and to arrive at the Fair Share Exchange Ratio for the purposes of a merger of the Specified Companies, in lieu of the proposed Amalgamation.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions, and prospects, financial and otherwise, of the companies/ businesses, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of method of valuation has been arrived at using usual and conventional methods adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Cost Approach

The asset-based valuation method is based on value of the underlying net assets of the business, on realizable value basis or replacement cost basis. The net asset value ignores the future return the asset can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is mainly used in case where the firm is to be liquidated i.e., it does not meet the “going concern” criteria or in case assets base dominate earnings capability.

The value arrived at under this approach is based on the financial statements of the company and may be defined as “Shareholders’ Funds” or net assets owned by the company. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize. Cost approach method reflects the net current assets



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base and value to equity-to-equity shareholders in historic terms.

DCF Methodology

Under this technique, either

1. the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, from a market participant basis, and the sum of such discounted cash flows is the value of the business, from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity - Free Cash Flows to Firm ("FCFF") technique.

Or

2. the projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, from a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity - Free Cash Flows to Equity ("FCFE") technique.

CCM methodology / Guideline Company method

Under this method, one attempts to measure the value of the shares/ business by applying an appropriate capitalization rate/ multiple (the EV/Revenue multiple, the EV/EBITDA multiple, etc.), for which one may also consider the market quotations of comparable public/ listed companies possessing attributes similar to the business - to the future maintainable profits of the business (based on past and / or projected working results adjusted to reflect the future earnings potential) after making adjustments to the capitalization rate/ multiple on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued.

Consequently, identifying comparable listed companies to the company being valued, both in business and financial terms, is highly important.

Based on our analysis and discussion with the Management, we understand that there are no listed companies that can be considered as a company comparable to the Companies having regard to the size, business profile and financial performance, we have therefore not used CCM Method to value the equity shares of respective Companies.

CTM methodology

The CTM Methodology involves applying derived transaction multiples of comparable transactions to the company's future maintainable revenues/ profits (based on past and/ or projected working results adjusted to reflect the future earnings potential) after making adjustments to the derived multiples on account of dissimilarities with the comparable transactions and the strengths, weaknesses and other factors peculiar to the proposed transaction for which the company is being valued.

Based on our market analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of KMA, KMM and UML, we have therefore not used CTM method to value the equity shares of these Companies.

Market Price Method



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The market price of an equity shares as quoted on a stock exchange is normally considered as value of the equity shares of that company where such quotation is arising from the share being regularly and freely traded in, subject to speculative support that may be inbuilt in the value of the shares. But there could be situation where the value of the shares as quoted on the stock market would not be regarded as proper index of fair value of the shares especially where the market values are fluctuating in volatile capital market. Further, in case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the numbers of shares available for trading on stock exchange over reasonable period would have to be of a comparable standard.

Equity shares of UML are listed on both NSE and BSE and are frequently traded in terms of Part IV, Pricing, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ('ICDR Regulations'). Equity shares of KMA India and KMM are not listed on any stock exchange.

ICDR Regulations

Para 164: Pricing of frequently traded shares

If the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- the 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date: or
- the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

"Relevant date" in case of allotment of equity shares, the date of the meeting in which the board of directors of the issuer or the committee of directors duly authorised by the board of directors of the issuer decides to open the proposed issue.

Conclusion of valuation approach used

The Management has provided us with long-term business plan of the KMA and KMM. Considering the same we have considered the Discounted Cash Flow Method for arriving at the fair value of the shares of the Specified Companies. Further management has provided us the fair valuation of tangible assets thus we have also evaluated Replacement Cost Approach for KMA and KMM.

Further since UML is listed Company, we have considered Market Price for valuation of shares of UML, and we have further considered requirements of SEBI ICDR Regulations.



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Basis of Fair Share Exchange Ratio

The basis of the Fair Share Exchange Ratio of the proposed Amalgamation would have to be determined after taking into consideration all the factors and methods mentioned hereinabove. For the purpose of recommending the Fair Share Exchange Ratio of Equity Shares it is necessary to arrive at a final equity value for each of the Specified Companies. It is however important to note that in doing so, we are attempting to arrive at the relative values to facilitate the determination of fair share exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each approach/method.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g., quality of the Management, present and prospective competition, yield on comparable securities and market sentiment, ownership structure, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of Fair Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single Fair Share Exchange Ratio. While we have provided our recommendation of the Fair Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Share Exchange Ratio of the equity shares of Specified Companies. The final responsibility for the determination of the Fair Share Exchange Ratio at which the proposed Amalgamation shall take place will be with the Board of Directors of Specified Companies who should take into account other factors such as their own assessment of the proposed Amalgamation.

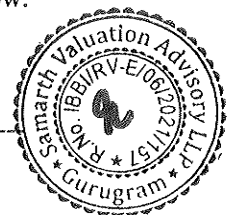
As per the Proposed Scheme KMA and KMM shall merge into UML and UML shall issue fresh Equity Shares to shareholders of KMM and KMA.

The Fair Share Exchange Ratio has been arrived at on the basis of a relative equity share valuation based on current and dilutive instruments of the specified companies based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Specified Companies, having regard to information base, key underlying assumptions and limitations.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Fair Share Exchange Ratio for the proposed Amalgamation whose computation is as under:

The computation of fair share exchange ratio for the proposed Amalgamation is tabulated below.

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Computation of fair share exchange ratio for proposed Amalgamation of KMA and KMM into and with UML:

Amount in Rs.

Valuation Approach	UML		KMA		KMM	
	Value per share	Weight	Value per share	Weight	Value per share	Weight
Asset Approach	NA		0.2	0%	7.6	0%
Income Approach [1]	NA		0.7	100%	9.4	100%
Market Approach [2]	518.0	100%	-	N.A.	-	N.A.
Relative value per equity share	518.0		0.7	100%	9.4	100%
Recommended Fair Share Exchange Ratio (Rounded off)			13 Shares of UML for every 10,000 shares of KMA		181 Shares of UML for every 10,000 shares of KMM	

Notes

[1] Discounted Cash Flow Method under Income Approach has not been considered for Uno Minda Limited as the Company is listed on Stock Exchanges and information related to future profit and loss account, balance sheet and cashflows is price sensitive and not made available to us.

[2] Computed based on SEBI ICDR Regulations.

[3] As explained earlier, that upon coming into effect of the Proposed Scheme and with effect from the Appointed Date 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 Specified Companies.



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Fair Share Exchange Ratio:

Based on the aforementioned Proposed Scheme, analysis above and caveats in our report, and considering the current shareholding pattern of the Specified Companies and in the light of the above and on a consideration of all the relevant factors and circumstances, as discussed above, we recommend the Fair Share Exchange Ratio as below:

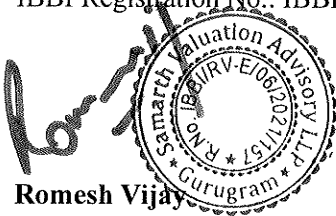
- **Merger of KMA into UML: “13 (Thirteen) Equity Shares of UML of INR 2 each fully paid up for 10,000 (Ten Thousand) Equity Shares of KMA of INR 10 each fully paid up.”**
- **Merger of KMM into UML: “181 (One Hundred and Eighty-One) Equity Shares of UML of INR 2 each fully paid up for 10,000 (Ten Thousand) Equity Shares of KMM of INR 10 each fully paid up.”**

Our valuation report and Fair Share Exchange Ratio is based on the share capital structure of the Specified Companies, as mentioned earlier in this report. Any variation in the aforementioned capital structure of the Specified Companies may have material impact on the Fair Equity Share Exchange Ratio.

Respectfully submitted,

Samarth Valuation Advisory LLP

IBBI Registration No.: IBBI/RV-E/06/2021/157



Romesh Vijay
Partner

Registered Valuer: Securities or Financial Assets

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

ICAI RVO Membership No. 00575/2018-19

UDIN: 23411274BGVAKW7498

Date: March 20, 2023

Place: Gurugram

Samarth Valuation Advisory LLP

Registered Valuer Entity

Annexure 1: Valuation of Uno Minda Limited as per Market Price method

S. no.	Particulars	Value per share
1	90 Trading Days Volume Weighted Average Price	518.0
2	10 Trading Days Volume Weighted Average Price	483.3
Value per Equity Share		518.0

Details of share price

S. no.	Date	Volume	Value
1	10-Nov-22	3,01,855	16,81,58,296
2	11-Nov-22	4,92,152	27,77,48,579
3	14-Nov-22	2,90,177	15,94,07,988
4	15-Nov-22	2,07,734	11,28,88,533
5	16-Nov-22	6,10,159	32,91,74,599
6	17-Nov-22	1,97,867	10,74,31,510
7	18-Nov-22	3,34,119	18,32,93,945
8	21-Nov-22	96,931	5,37,02,731
9	22-Nov-22	2,17,494	11,95,74,448
10	23-Nov-22	1,66,560	9,26,14,376
11	24-Nov-22	1,49,502	8,36,69,797
12	25-Nov-22	1,72,870	9,58,49,143
13	28-Nov-22	1,41,256	7,81,78,110
14	29-Nov-22	1,14,352	6,36,05,568
15	30-Nov-22	9,70,930	53,48,47,122
16	1-Dec-22	5,77,282	32,15,51,639
17	2-Dec-22	5,36,642	29,77,73,975
18	5-Dec-22	3,36,763	18,73,76,832
19	6-Dec-22	1,98,392	10,90,19,614
20	7-Dec-22	5,76,614	31,00,44,863
21	8-Dec-22	3,84,557	20,62,85,960
22	9-Dec-22	1,66,058	8,82,05,142
23	12-Dec-22	2,56,622	13,66,60,428
24	13-Dec-22	2,24,107	12,14,55,432
25	14-Dec-22	3,11,705	17,00,45,555
26	15-Dec-22	4,54,933	25,25,86,610
27	16-Dec-22	4,72,930	26,01,15,804
28	19-Dec-22	4,81,465	26,09,02,328
29	20-Dec-22	1,82,603	9,87,00,141
30	21-Dec-22	7,30,242	40,12,43,812
31	22-Dec-22	2,84,632	15,18,20,818
32	23-Dec-22	5,87,983	30,73,78,527
33	26-Dec-22	3,14,726	16,47,13,387
34	27-Dec-22	4,59,019	24,10,96,313



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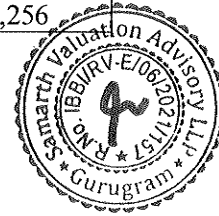
S. no.	Date	Volume	Value
35	28-Dec-22	5,48,628	28,96,08,813
36	29-Dec-22	2,93,909	15,38,91,108
37	30-Dec-22	3,17,526	16,61,48,441
38	2-Jan-23	1,42,895	7,49,16,340
39	3-Jan-23	3,07,340	16,31,89,390
40	4-Jan-23	3,72,652	19,85,99,115
41	5-Jan-23	4,00,305	21,77,26,537
42	6-Jan-23	4,32,165	23,43,14,123
43	9-Jan-23	2,85,240	15,22,71,584
44	10-Jan-23	7,07,231	37,88,58,333
45	11-Jan-23	2,60,986	13,92,83,197
46	12-Jan-23	2,97,326	15,78,92,348
47	13-Jan-23	1,41,464	7,47,50,819
48	16-Jan-23	2,00,173	10,54,25,527
49	17-Jan-23	2,55,120	13,34,28,469
50	18-Jan-23	2,41,480	12,59,45,969
51	19-Jan-23	2,62,973	13,56,68,215
52	20-Jan-23	3,15,375	16,12,05,686
53	23-Jan-23	5,72,295	28,90,63,068
54	24-Jan-23	5,62,386	28,05,02,070
55	25-Jan-23	12,78,878	64,02,44,202
56	27-Jan-23	6,82,075	33,57,94,812
57	30-Jan-23	2,23,432	11,13,24,923
58	31-Jan-23	5,46,752	26,75,84,742
59	1-Feb-23	4,26,200	21,20,32,497
60	2-Feb-23	2,16,669	10,68,61,357
61	3-Feb-23	1,97,976	9,61,41,397
62	6-Feb-23	2,67,828	13,20,19,702
63	7-Feb-23	1,71,211	8,42,38,318
64	8-Feb-23	16,35,953	82,02,90,254
65	9-Feb-23	11,96,593	62,54,48,373
66	10-Feb-23	8,29,719	44,38,80,551
67	13-Feb-23	6,24,580	33,17,37,571
68	14-Feb-23	1,95,398	10,22,77,923
69	15-Feb-23	3,23,711	16,59,73,143
70	16-Feb-23	9,51,367	47,55,41,290
71	17-Feb-23	2,16,021	11,03,05,235
72	20-Feb-23	1,76,232	8,96,20,485
73	21-Feb-23	7,89,273	39,93,34,515
74	22-Feb-23	2,75,821	13,83,35,431
75	23-Feb-23	99,731	5,04,68,226
76	24-Feb-23	15,55,155	77,97,20,149



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S. no.	Date	Volume	Value
77	27-Feb-23	1,68,594	8,45,61,007
78	28-Feb-23	15,55,565	78,44,33,476
79	1-Mar-23	1,93,100	9,76,58,879
80	2-Mar-23	79,344	3,97,92,272
81	3-Mar-23	3,43,560	17,18,91,613
82	6-Mar-23	1,61,624	8,08,83,720
83	8-Mar-23	2,07,560	10,38,94,288
84	9-Mar-23	2,75,484	13,95,09,534
85	10-Mar-23	1,26,511	6,33,04,126
86	13-Mar-23	10,95,801	53,84,80,929
87	14-Mar-23	2,18,545	10,64,66,663
88	15-Mar-23	1,65,910	8,07,39,092
89	16-Mar-23	19,66,084	93,03,95,646
90	17-Mar-23	11,85,037	56,15,70,256



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Annexure 2: Valuation of Kosei Minda Aluminium Company Limited

a) Income Approach: Discounted Free Cash Flow Approach

Particulars	Amt in INR Mn
Enterprise Value	851.5
Add: Cash and Cash Equivalents	11.1
Add: Investments	1.3
Less: Debt	(557.0)
Less: Provisions for liabilities	(250.0)
Add: Benefit of C/F Losses	72.9
Equity Value	125.9
Less discount for lack of marketability	18.9
Equity Value (<i>Post Discount for lack of marketability</i>)	107.0
No. of shares	156,991,237
Value per Share	0.7

b) Cost Approach

Particulars	Amt in INR Mn
Fixed Assets	791.4
Investments	1.3
Inventories	230.2
Trade Receivables	256.4
Cash & bank balance	11.1
Other Assets	40.7
Total Assets	1,331.3
Borrowings	557.0
Provisions	17.9
Trade Payables	382.8
Other Liabilities	85.8
Provisions for liabilities	254.0
Total Liabilities	1,297.4
Total Net Worth	33.8
No. of shares	15,69,91,237
Value per share	0.2

Fair valuation report of Plant and Machinery dated March 20, 2023 is issued by Mr. Devendra Kumar Malhotra having IBBI/RV/05/2018/10424 and Fair valuation report of Land and Building dated March 20, 2023 is issued by Mr. Phul Kumar Gaur having IBBI Reg. No. IBBI/RV/11/2019/12698.



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Annexure 3: Kosei Minda Mould Private Limited

a) Income Approach: Discounted Free Cash Flow Approach

Particulars	Amt in INR Mn
Enterprise Value	111.8
Add: Cash and Cash Equivalents	28.9
Less: Tax Liabilities	(0.4)
Equity Value	140.3
Discount for lack of marketability	21.0
Equity Value (<i>Post Discount for lack of marketability</i>)	119.3
No. of shares	12,708,708
Value per Equity Share	9.4

b) Cost Approach

Particulars	Amt in INR Mn
Fixed Assets	70.4
Deferred Tax Assets	0.6
Inventories	5.4
Trade Receivables	50.1
Cash & bank balance	28.9
Other Assets	2.4
Total Assets	157.84
Lease Liability	11.0
Government Grants	19.3
Provisions	2.6
Trade Payables	26.1
Other Liabilities	2.3
Total Liabilities	61.3
Total Net Worth	96.3
No. of equity shares	1,27,08,708
Value per share	7.6

Fair valuation report of Plant and Machinery dated March 20, 2023 is issued by Mr. Devendra Kumar Malhotra having IBBI/RV/05/2018/10424.

