C. SUBRAMANIAN
Chartered Accountant

M/s.Millworks Technologies Private Limited
No. B 402, Salarpuria Melody Mysore Road,
KengeriHobli,
Banglore-560092,
Karnataka,
India.

Dear Sirs,

Re: Valuation of equity shares of Millworks Technologies Private Limited

This has reference to my engagement letter submitted for your pursuant of request from the management of Millworks Technologies Private Limited (hereinafter referred to as "the Company"), and the subsequent discussions I had with you, in connection with the valuation of Equity shares of the Company, on a 'going concern' basis, as on March 31, 2023 ('Valuation Date').

1. SCOPE AND PURPOSE OF THIS REPORT

M/s. Millworks Technologies Private Limited is an unlisted company, bearing CIN:U29200KA2021PTC153863, incorporated on 01st November 2021 under the Companies Act, 2013 having its registered office at No. B 402, Salarpuria Melody Mysore Road, Kengeri Hobli, Banglore-560092,Karnataka,India.The main object of the Companyis to engage in the business of manufacturing parts of aerospace, metro train products and other related components.

1.1 The Management of the company is considering the option to approve the transfer of shares by the existing shareholders in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and as amended from time to time. In this context, the Company has requested me to assist in the determination of the value of equity shares ('Valuation') as on March 31, 2023 ('Valuation Date'), to comply with the requirements of the Income Tax Act, 1961 and the rules made thereunder.

1.2 The Valuation is solely for regulatory/ non- financial reporting purpose. My scope of work is limited to the Valuation of Equity shares.

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2. BACKGROUND:

2.1 About the Company:

2.1.1 Millworks Technologies Private Limited is an unlisted company, bearing CIN:U29200KA2021PTC153863, incorporated on 01st November 2021 under the Companies Act, 2013 having its registered office at No. B 402, Salarpuria Melody Mysore Road, KengeriHobli, Bengaluru-560092,Karnataka,India.The main object of the Company is to engage in the business of manufacturing parts of aerospace, metro train products and other related components.

2.1.2 Equity Share Capital

The Equity shares of the company are not listed on any stock exchange. The face value of the Equity Shares is INR 10/-. The shareholding pattern of the company as at November 30, 2023 is as under:

Name of the Shareholder	No. of Shares	% of holding
Sridhar Acharya	12,000	24.00
Madhu HulisandraKrishnamurty	12,000	24.00
Rashmi Sridhar Acharya	13,000	26.00
Sowmya Madhu	13,000	26.00
Total	**50,000**	**100.00**

Source: Management information

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3. PROCEDURES

Procedures used in my analysis included such substantive steps as I considered necessary under the circumstances, including but not necessarily limited to the following:

- Considered Audited financial statements of the company for the year ended 31st March 2022 and March 2023;

- Discussions with the Management to understand the historical and expected future performance, macroeconomic fundamentals and key value drivers affecting the company;

- Considered information available in the public domain in respect of the comparable companies/ transactions, as may be relevant under the circumstances;

- Discussions and correspondence with the Management, to obtain requisite explanations and clarifications on the data provided;

- Such other analyses, reviews and inquiries, as considered necessary.

4. SOURCES OF INFORMATION

The principal sources of information used in carrying out the Valuation included:

(a) Audited financial statements of the company for the years ended 31st March 2022 and 31st March 2023;

(b) Such other information and explanations as required and which have been provided by the management of the Companies; and

(c) Such other analyses, reviews and inquiries as I considered necessary.

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5. EXCLUSIONS AND LIMITATIONS:

5.1 The premise of value applied in this engagement is fair value. Fair value, as used herein, is the price, expressed in terms of money or money's worth, available in an open and unrestricted market at which the issuance of equity shares would take place between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both having reasonable knowledge of all the relevant facts.

5.2 Valuation reports may contain and/ or are based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as my predictions or as my assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from those described in my report and the variations may be material. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. Any change in key assumptions underlying the Management Projections could have implications on the Valuation.

5.3 The robustness of the Valuation is highly dependent on the reasonableness, commercial viability and achievability of the assumptions underlying the forecasts. Whilst I have conducted a highlevelanalysis of the Management Projections for arithmetic and logical consistency, my review was notin the nature of an audit/ a due diligence and I do not express an opinion as to how closely theactual revenues, expenses, cash flows and position of assets and liabilities will correspond to these Management Projections. I take no responsibility for the achievement of the predicted results.

5.4 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, besubjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value. While I normally express my assessment as falling within a likely range as per requirements of this Engagement, Iam providing a single value. Further, while I have provided my assessment of value based on the information available to me and within the scope and constraints of my engagement, others may place a different value to the same.

5.5 Valuation and outcome are inter alia based on valuation parameters prevailing as at the Valuation Date and information provided by the Management. Iundertake no duty to update the valuation for events or transactions relating to the company or changes in the market and economy trends, and valuation parameters occurring subsequent to the Valuation Date.

5.6 For the purpose of this engagement and report, I have made no investigation of, and assume no responsibility for the title to, or liabilities against the company.My conclusion of value assumes that the title to the assets and liabilities of the company reflected in the statement of assets and liabilities is intact, as at the Valuation Date. Further, for the purposes of this assignment, Iam not required to carry out valuation of any other tangible/ intangible assets ofthe company.

5.7 Actual transaction value, if any, may be higher or lower than my assessment of the value depending upon the circumstances of the transaction. The knowledge, negotiating ability and motivations of the buyers and sellers and the applicability of illiquidity discount or premium for control will also affect the price achieved. Accordingly, my assessment of the value will not be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree.

5.8 Iam not required to and have not carried out an audit of nor independently verified the accuracy, reasonableness and completeness of the information provided by the Management. Accordingly, I do not express an opinion or offer any form of assurance regarding the accuracy, reasonableness or completeness of these data. I have also used available market data and other information in the public domain, where appropriate, for which Iam not responsible in terms of content and accuracy.

5.9 For the purposes of this engagement, Iwillprovide the services described herein but will not act an agent or broker to the company. All business decisions relating to the proposed transaction and negotiations of the terms are solely the responsibility of the company and its management. Ishall not be called upon to prove or defend the Valuation in any forum within the scope of the present engagement.

5.10 This Valuation is solely for regulatory purposes specified in paragraph 1 above.

5.11 My Services are not designed to and are not likely to reveal fraud or misrepresentation by the Management or any external parties. Accordingly, I cannot accept responsibility for detecting fraud (whether by the Management or by external parties) or misrepresentation by the Management or any other person. While performing this assignment, I have assumed the genuineness of all signatures and the authenticity of all documents and/ or copies of documents shown to me. I have also relied upon the veracity of the representations made, and the information provided to me by the Management.

5.12 This report forms an integral whole and cannot be split in parts. The outcome of the Valuation can only lead to proper conclusions if the report as a whole is taken into account.

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6. RELIANCE ON THE MANAGEMENT:

In the course of my Valuation, I have relied upon financial and other information, provided by or on behalf of the Management. My conclusions are dependent on such information being accurate and complete in all material respects. Although I have analysed this information, the scope of my work will not enable me to accept responsibility for the accuracy and completenessof this information. I have not conducted an independent audit, due diligence/ review or validation of such financial and other information. Accordingly,Ido not express an opinion or any other form of assurance thereon and I accept no responsibility or liability for any losses occasioned to the company, its shareholders, their directors, prospective investors or to any other parties as a result of my reliance on such information.

7. VALUATION APPROACH :

7.1 Valuation is carried out on a 'going concern' basis excluding illiquidity discount. My Valuation is based on Valuation parameters as at the Valuation Date. There are several commonly used and accepted approaches for Valuation, including:

- Income Approach - Discounted Cash Flow method
- Market Approach
- Asset Approach - Net Asset Value method

7.2 Income Approach indicates the value of a business enterprise/equity shares based on the discounted value of the cash flows that the business can be expected to generate in the future. I have adopted the Discounted Cash Flow ('DCF') method under the Income Approach for the purpose of this Valuation.

7.3 DCF method values a business based upon the available cash flow a prudent investor would expect the subject business to generate over a given period of time. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the forecast period at an appropriate discount factor.

7.4 The Free Cash Flow to Equity ('FCFE') method has been used. This method involves an estimation of post-taxfree cash flows over the horizon period after consideration of the entity's requirements for reinvestment in terms of capital expenditure, change in debt and incremental working capital as well as project specific needs. The free cash flows represent the cash available for distribution to the equity shareholders of the business.

The free cash flows to equity are discounted by the cost of equity, which is considered at an appropriate discount factor. The cost of equity represents the returns required by the investors of equity for their relative funding in the entity. The return expected would depend on the perceived level of risk associated with the business of the Companyand the industry in which the Companyoperates.

Value of equity shares of the Company as at March 31, 2023 is arrived at considering equity value based on Net Asset Value Method.

7.5 The Market Approach indicates the value of Equity shares usually based on the market price or by estimating its market price on a comparison with other companies whose equity is traded on the stock exchanges. Investors are expected to pay for the earnings potential of the entity and earnings value is expected to converge towards the market value. The Market Approach may also consider the prices implied by reported transactions/ deals of comparable companies.

The market/ transaction price, as a ratio of the subject asset's attribute such as sales, book value, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset.

Sincethe Equity shares of the Company are not listed, I have not adopted the Market Approach for the Value Analysis.

7.6 Asset Approach indicates the value by considering the asset and liability balances at the Valuation Date. Asset Approach is usually based on the summation of individual piecemeal values of the underlying assets less value of the liabilities. The Company is an operating company and the Valuation is carried out on a 'going concern' basis. The book value of fixed assets may not be reflective of their replacement value. Considering the aforementioned, asset approach is not adopted for the valuation

8. CONCLUSION

The value of equity shares ofthe Company as at March 31, 2023 is arrived at considering the Net Asset Value method. Based on the above considerations and the information and explanations given to me, in my opinion, the value of each equity share of INR 10/- of the Company, as on 31st March, 2023 is **INR74/-**(Rupees Seventy Four only) (rounded off) per equity share.

9. DISTRIBUTION OF MY REPORT

9.1 My Report is solely for the purpose outlined in paragraph 1 above and to the extent mandatorily required under applicable laws of India, may be produced before the Indian Income-tax authorities in connection with the purpose outlined in paragraph 1 above.

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9.2 I would not be called upon to defend my analysis on any forum. My Report is not to be used, referred to or distributed for any other purpose without my written permission. In case you propose to make available my Report to any other third party, it shall require my written consent. Consequently, you should not make my Report available or otherwise disclose my Report or that Iam undertaking this assignment for you to any third party unless I have specifically agreed with you and that party, in writing, the basis on which my Report may be made available and which I may give or withhold at my absolute discretion. In no event, regardless of whether consent has been provided, shall I assume any responsibility to any other party to which the Report is disclosed or otherwise made available or is used for any purpose other than that indicated in paragraph 1 above.

9.3 This Report is not to be referred to or quoted, in whole or in part, in any offering memorandum, prospectus, registration statement, loan or other agreement or document without my express written approval, which may require that I perform additional work. I accept no duty, obligation, liability or responsibility to any party, other than to the Management with respect to the services and/ or this report.

9.4 In no event shall I be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, their directors, employees or agents. In no circumstances shall the liability of me, its relating to services provided in connection with the engagement set out in this letter (or variation or addition thereto) exceed the amount paid to me in respect of the fees charged for those services.

Thanking you,

Yours faithfully,

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C. SUBRAMANIAN
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M. No.027959
UDIN: 23027959BGSIND9707

Place: Chennai
Date : 11-12-2023

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