
STRICTLY PRIVATE & CONFIDENTIAL

To,

The Board of Directors

Bonfiglioli Drive Solutions Private Limited

No.50, Papparambakkam Road,
Mannur village, Sriperumbudur Taluk,
Kanchipuram, Sriperumbudur, Tiruvallur,
Tamil Nadu, India, 602105

Sub: Report on Computation of Fair Market Value of Capital Assets of Bonfiglioli Drive Solutions Private Limited for the purposes of Section 50B of Income-tax Act, 1961 as per Rule 11UAE of the Income Tax Rules, 1962

Dear Sirs,

We have been appointed for carrying out valuation of Capital Assets, being the business undertaking of **Bonfiglioli Drive Solutions Private Limited** (hereinafter referred to as "BDSPL" or "the Company") being transferred pursuant to Section 50B of the Income-tax Act, 1961 to **Bonfiglioli Transmissions Limited** (hereinafter referred to as "BTL" or "the Transferee Company"). In accordance with the terms of the Engagement, we are enclosing our report, for the purposes of Section 50B of Income-tax Act, 1961 read with Rule 11UAE of the Income Tax Rules, 1962, along with this letter.

Thanking you,

For **Mukesh Kumar Jain**

Chartered Accountants

Membership No.502822

Date: December 17, 2025

Place: Raipur

UDIN: 26502822EWVKE08031

VALUATION REPORT

1. BACKGROUND

Bonfiglioli Drive Solutions Private Limited (hereinafter referred to as “BDSPL” or “the Transferor Company”) is a Private Limited company bearing CIN U29309TN2022FTC151090 and was incorporated on April 04, 2022. The registered office of the Company is at No.50, Papparambakkam Road, Mannur village, Sriperumbudur Taluk, Kanchipuram, Sriperumbudur, Tiruvallur, Tamil Nadu, India, 602105

Bonfiglioli Transmissions Limited (hereinafter referred to as “BTL” or “the Transferee Company”) is a Public Limited company bearing CIN U29309TN1998PLC040717 and was incorporated on June 23, 1998. The registered office of the Company is at Plot No. AC7-AC11, SIDCO Industrial Estate, Thirumudivakkam, Kancheepuram, Kancheepuram, Tamilnadu, India, 600132

The management of BDSPL have informed that the Company has entered into a Business Transfer Agreement (“BTA”) with Bonfiglioli Transmissions Limited for transfer of its manufacturing and sale of Gear Components division (Business Undertaking) on slump sale basis to BTL.

2. PURPOSE OF VALUATION

To compute the Fair Market Value of Capital Assets transferred, for the purposes of section 50B(2)(ii) of the Income-tax Act read with Rule 11UAE of the Income Tax Rules, 1962.

3. SOURCES OF INFORMATION

The fair market value of the capital assets under Rule 11UAE shall be determined on the date of slump sale and for this purpose valuation date referred to in Rule 11UA shall also mean the date of slump sale.

The Business Transfer Agreement (“BTA”) was entered between Bonfiglioli Drive Solutions Private Limited and Bonfiglioli Transmissions Limited on 15th December 2025. The BTA was subject to certain Condition Precedents (“CPs”) specified under the BTA and the Closing date under the BTA is 17th December 2025.

For the purpose of this valuation report, we have considered 17th December 2025 as the date of transfer and have relied on the Management Certified Unaudited Balance Sheet of the

manufacturing and sale of Gear Components division of BDSPL as on the closing hours of 17th December 2025.

4. VALUATION METHODOLOGY

- For the purpose of Section 50B(2)(ii) of the Income Tax Act, 1961, fair market value of the capital assets as on the date of transfer, calculated in the prescribed manner, shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of such capital asset.
- Rule 11UAE of the Income Tax Rules, 1962 provides that the 'fair market value' of the capital assets shall be the FMV1 determined under sub-rule (2) or FMV2 determined under sub-rule (3), whichever is higher.
- Rule 11UAE (2) provides that FMV1 shall be the fair market value of the capital assets transferred by way of slump sale shall be $A+B+C+D-L$

where,

A = book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale as reduced by the following amount which relate to such undertaking or the division –

- (i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any; and
- (ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset.

B = the price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer

C = fair market value of shares and securities as determined in the manner provided in in sub-rule (1) of rule 11UA

D = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property

L = book value of liabilities as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale, but not including the following amounts which relates to such undertaking or division, namely –

- (i) the paid-up capital in respect of equity shares;
 - (ii) the amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company;
 - (iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;
 - (iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;
 - (v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities; and
 - (vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.
- Rule 11UAE (3) provides that FMV2 shall be the fair market value of the consideration received or accruing as a result of transfer by way of slump sale determined in accordance with the formula $E+F+G+H$, where,
 - E = value of the monetary consideration received or accruing as a result of the transfer
 - F = fair market value of non-monetary consideration received or accruing as a result of the transfer represented by property referred to in sub-rule (1) of rule 11UA determined in the manner provided in sub-rule (1) of rule 11UA for the property covered in that sub-rule
 - G = the price which the non-monetary consideration received or accruing as a result of the transfer represented by property, other than immovable property, which is not referred to in sub-rule (1) of rule 11UA would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer, in respect of property
 - H = the value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property

5. RECOMMENDATION

The fair market value of undertaking as determined as per Rule 11UAE (2) being FMV1 works out to INR 214.36 Million and as per Rule 11UAE (3) being FMV2 works out to INR 214.40 Million, the detailed working is attached as *Annexure A* to this report.

As the FMV2 is higher than FMV1, for the purpose of Section 50B(2)(ii) of the Income-tax Act read with Rule 11UAE, FMV2 i.e., INR 214.40 Million be considered as the Fair Market Value of the Capital Asset being transferred i.e., the manufacturing and sale of Gear Components division of BDSPL.

6. SCOPE LIMITATIONS

This Valuation Report has been issued on the specific request of the Company to ascertain the Fair Market Value of Capital Assets for the purposes of Section 50B(2)(ii) of the Income-tax Act read with Rule 11UAE for manufacturing and sale of Gear Components division of BDSPL based on the Unaudited Financial Statements as on 17th December 2025.

This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without prior written consent.

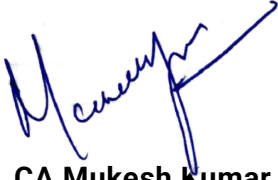
We have no present or planned future interest in BDSPL or BTL and the fee for this valuation exercise is not contingent upon the values reported herein.

The Valuation analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in the Report and basis the information provided by the management of the Company. This Report is issued on the understanding that the management of BDSPL has drawn our attention to all matters of which they are aware, which may have an impact on our report up to the date of signature. We have no responsibility to update this report for events and circumstances after the date of this report.

This Valuation report should not be construed as investment advice or any form of recommendation either for making or divesting investment in the Company.

Thanking you,
Yours faithfully,

For **Mukesh Kumar Jain**
Chartered Accountant



CA Mukesh Kumar Jain
Membership No. 502822

Date: December 17, 2025

Place: Raipur

UDIN: 26502822EWWKE08031

Annexure A - Computation of Fair Market Value of Capital Asset as per Rule 11UA

The FMV1 shall be the fair market value of the capital assets transferred by way of slump sale determined in accordance with the formula

Particulars	INR Millions
Book value of all the assets (other than jewellery, artistic work, shares, securities and immovable property) as appearing in the books of accounts of the undertaking or the division transferred by way of slump sale as reduced by the following amount which relate to such undertaking or the division,	270.03
Less: Any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any;	-
Less: Any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset	-
(A)	270.03
Price which the jewellery and artistic work would fetch if sold in the open market on the basis of the valuation report obtained from a registered value	-
(B)	-
fair market value of shares and securities as determined in the manner provided in sub-rule (1) of rule 11UA;	-
(C)	-
The value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property;	-
(D)	-
Book value of liabilities	270.03
Less: Paid-up capital in respect of equity shares	
Less: Amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared before the date of transfer at a general body meeting of the company	-
Less: Reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation	214.36
Less: Any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto	-
Less: Any amount representing provisions made for meeting liabilities, other than ascertained liabilities	-
Less: Any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares.	-
(L)	55.66
A+B+C+D-L (FMV 1)	214.36

FMV2 shall be the fair market value of the consideration received or accruing as a result of transfer by way of slump sale determined in accordance with the formula—

Particulars	INR Millions
Value of the monetary consideration received or accruing as a result of the transfer;	214.40
(E)	214.40
Fair market value of non-monetary consideration received or accruing as a result of the transfer represented by property referred to in sub-rule (1) of rule 11UA determined in the manner provided in sub-rule (1) of rule 11UA for the property covered in that sub-rule;	-
(F)	-
The price which the non-monetary consideration received or accruing as a result of the transfer represented by property, other than immovable property, which is not referred to in sub-rule (1) of rule 11UA would fetch if sold in the open market on the basis of the valuation report obtained from a registered valuer, in respect of property;	-
(G)	-
The value adopted or assessed or assessable by any authority of the Government for the purpose of payment of stamp duty in respect of the immovable property in case the non-monetary consideration received or accruing as a result of the transfer is represented by the immovable property.	-
(H)	-
E+F+G+H (FMV 2)	214.40

Notes:

- 1) The management has represented that there are no Asset which do not reflect any value.
- 2) The management has represented that there is no amount set apart for payment of dividends on preference shares and equity shares where such dividends have not been declared.
- 3) The management has represented that there is no amount representing provisions made for meeting liabilities, other than ascertained liabilities or any amount representing contingent liabilities.
- 4) The management has represented that no non-monetary consideration is received or accruing as a result of transfer of the undertaking.