BINDING MEMORANDUM OF UNDERSTANDING

CTC AIR CARRIERS PVT LTD AND SKYWAYS AIR SERVICES PVT LTD, MR VIKRAM KUMAR AND MR GAURAV KUMAR

Dated: August 14, 2024

1. 51% stake acquisition by Skyways Air Services Private Limited in CTC air carriers Pvt Ltd for consideration of INR 5,18,36,400/- as under:
    a. Mr. Vikram Kumar
    b. Mr. Gaurav Kumar

2. F.Y. 24 profit after tax of CTC Air Carriers Private limited to be INR 1.8 crores.

3. FY 25 Profit after Tax to be in the range of 10% of Revenue Tentative range of PAT INR 2 crores- INR 3 crores.

4. Management cost – 72 lakhs per annum plus incentive to the extent of 36 lakhs per annum to be structured as per mutually agreed manner.

5. All business activities must be exclusively conducted within CTC Air Carriers Private Limited. No transactions or business dealings should occur through any entities that are directly or indirectly owned or controlled by the promoter group of CTC Air Carriers Private Limited. Any violation of this condition will result in an immediate penalty of Rs 5 crores, payable by the promoters of CTC Air Carriers Private Limited to Skyways Air Services Private Limited.

6. Auditor to be changed to a nominated Auditor firm by Skyways.

7. Share certificates, ROC documents from inception, and all related transfer forms must be documented and provided to Skyways.

8. Both parties hereby agree that:
    a. Joint financial controls (net banking)
    b. Cash withdrawal to be jointly approved
    c. Skyways nominated accountant at CTC rolls
    d. Software to be changed and job staff to be trained to be entered & maintained job wise, Cost
    e. Debtors balance as on 30/06/24—3,11,00,000/-
    f. Creditors balance as on 30/06/2024—2,17,00,000/-
    g. Bank balance as on 30/06/2024--- 1,40,15,000/-
    h. Cash balance as on 30/06/2024---- 1,30,000/-
    i. FD balance as on 30/06/2024----- 90,00,000/-

For Skyways Air Services Private Limited

Yashpal Sharma

Managing Director

For CTC Air Carriers Private Limited

Vikram Kumar

Director

Vikram Kumar

Gaurav Kumar

Company Information	
CIN	U74899DL1993PTC056417
Company Name	C T C AIR CARRIERS PRIVATE LIMITED
ROC Name	ROC Delhi
Registration Number	056417
Date of Incorporation	13/12/1993
Email Id	ctcaircarriers@yahoo.com
Registered Address	289 SATYA NIKETAN, NEW DELHI, Delhi, India, 110021
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	10,00,000
Paid up Capital (Rs)	4,53,000
Date of last AGM	30/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active
Jurisdiction	
ROC (name and office)	ROC Delhi
RD (name and Region)	RD, Northern Region

Submitted to

CTC AIR CARRIERS PRIVATE LIMITED

Valuation Report of

CTC AIR CARRIERS PRIVATE LIMITED

BY

M/s. SPA CAPITAL ADVISORS LIMITED

25, C - Block, Community Centre,

Janak Puri, New Delhi - 110 058

Tel: 25558601/25517371/25515086

Fax: 25572763

E-mail: valuation@spacapital.com

Website: www.spacapital.com

"**The word value means different things to different people and the result will not be the same, should the context change**"

BACKGROUND INFORMATION OF THE ASSET BEING VALUED

Name of the Company	**CTC AIR CARRIERS PRIVATE LIMITED** (hereinafter referred to as "**CTC Air Carriers** " or "The Company")
Office Address	289, Benito Juarez Marg, Satya Niketan, South Moti Bagh, New Delhi, Delhi 110021
Listing Status	Not Listed

CTC AIR CARRIERS PRIVATE LIMITED was incorporated on 13th December 1993 as a Private Limited Company under the Companies Act, 2013.

The Company offer worldwide freight shipping solutions by air cargo, ocean freight and road haulage along with government approved and licensed in house customs brokerage services and worldwide agency networks for cargo.

CTC Air Carriers is a full-service freight forwarder founded over 25 years ago, with over 50 years of freight forwarding management experience and offer logistical international shipping services expertise for cargo of all kinds, via ocean or air including containers, oversized break-bulk shipping, and construction equipment and machinery dismantling and containerization.

PURPOSE OF VALUATION AND APPOINTING AUTHORITY

We have been appointed by the management of CTC AIR CARRIERS PRIVATE LIMITED as an Independent Valuer to derive the fair value of equity share for the purpose of secondary sale.

IDENTITY OF THE VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION

SPA Capital Advisors Limited ("SPA" or "the Valuer" or "We") is SEBI registered Category I Merchant Bankers. We have a rich experience of providing services across verticals of Debt and Equity.

Our service offerings include private placement of debt, debt syndication for public and private sector entities, Capital raising through private placement of equity, managing capital issues (IPO, FPO and Right Issues). We also cater to the entire spectrum of capital market needs through other services such as Corporate and Infrastructure Advisory, Managing Takeovers, Buy Back, Delisting, ESOP and Valuations.

DISCLOSURE OF VALUER INTEREST/CONFLICT, IF ANY

SPA does not have any interest or conflict of interest of any kind with CTC AIR CARRIERS.

DATE OF APPOINTMENT, VALUATION DATE AND DATE OF REPORT

Date of appointment: 30th July 2024

Valuation date: 31st July 2024

Date of report: 1st August 2024

SOURCES OF INFORMATION

- Audited financial statement for the year ended March 31, 2022 and 2023.
- Provisional financials as on July 31, 2024.
- Projected financials statement of CTC AIR CARRIERS till the year ending March 31, 2030.
- Information and explanations given by management of CTC AIR CARRIERS and its representatives.
- Information as available on public domain.

PROCEDURE ADOPTED IN CARRYING OUT THE VALUATION

The process of valuation and determining the fair value of equity is shown below:-

The general process for the valuation starts with analysis of historical and current financials, then analysis of future projections, if applicable, is done and discussion with the company is performed to understand the future assumptions. After analysing the data appropriate valuation method is determined. Valuation is done and valuation report is prepared. Finally this report is shared with the company.

VALUATION METHODOLOGY

Income Approach

The Income Approach measures the value of an asset by calculating the present value of its future economic benefits. When used to determine Equity value, the Income Approach develops an indication of value by discounting forecasted cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds plus the expected rate of inflation and the risks associated with the particular investment. The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality. Another discounting method calculates the company's Weighted Average Cost of Capital ("WACC") from its cost of debt and cost of equity. Forecasts typically cover three to five years, but the reliability of forecasts for valuation purposes in early stage enterprises depends upon many factors, such as the company's vulnerability to advances in technology, actions by competitors, changes in end-user requirements, and the availability of financing. Selecting the forecast period required our judgment.

The Income Approach works best when development stage companies have progressed to Stage five (Resource Maturity Stage of a company in which company has the staff and financial resources to engage in detailed operational and strategic planning). Typically, companies in prior stages have limited operating histories and cash flow forecasts. Using the Income Approach when a company has not achieved profitability or positive cash flow, and therefore has negative flows/losses during some or all of the forecast years, results in an equity Value that consists mostly (if not entirely) of the Terminal Value ("TV" is the estimate of the Company's future value at the end of the forecast period).

Due to these limitations, either the Income Approach is employed in conjunction with the Market Approach or some other sanity checks are needed to be performed.

Asset Approach

The general principle behind asset-based valuation methods is that the value of an enterprise is equal to the Fair market value of its assets less the Fair market value of its liabilities. The Fair market values of the component assets and liabilities may themselves be obtained or estimated using a variety of methods, including market-based or income-based methods. The asset-based approach is most useful when applied to tangible assets and to companies whose assets consist primarily of tangible assets. This approach establishes value based on the cost of reproducing or replacing each asset, less depreciation from physical deterioration and functional obsolescence.

The asset-based approach is applied primarily to enterprises in Stage 1 and some enterprises in Stage 2, before the company is likely to have built substantial intangible value. There is limited or no basis to apply a market- or income-based approach, since there are unlikely to be comparable market transactions, and the company has virtually no financial history and therefore is unable to use past results to reasonably support a forecast of future results. One particular asset-based approach is the Liquidation Value Method, which assumes the discontinuance of the business as a going concern.

Market Approach

The Market Approach measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions ("Guideline

Companies"). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the Company. The Market Approach is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparable that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable.

Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the Guideline Companies must be appropriately adjusted. Selecting the market multiple to apply to the Company requires judgment.

MAJOR FACTORS THAT INFLUENCED THE VALUATION

The valuation exercise was carried out keeping in mind the standard methodologies, and infused by the following factors:

i. Considering the company' s historical growth and the growth shown in projections

ii. Ease with which the growth rate in cash flows to perpetuity can be estimated

Our estimate of the valuation of the company was on the basic assumption of a going concern entity and is based on following methodologies:

1) **Income Approach (Discounted Cash Flow Method):** We have taken this method into consideration for forming our final conclusion.
2) **Market Approach (Company Comparable Method):** We have taken this method into consideration for forming our final conclusion.

3) **Asset Approach (Net Asset Value Method):** We have not considered this method in our valuation opinion, as the value derived from this approach significantly diverges from those obtained using the other two methods.

CONCLUSION

The valuations were conducted according to the internationally acceptable pricing methodologies on arm's length basis.

Based on our analysis, as described in the valuation report, and subject to the assumptions presented herein, in our opinion the **estimated fair value per equity share of CTC AIR CARRIERS PRIVATE LIMITED as on July 31, 2024 can be considered INR 22437.09 (Twenty Two Thousand Four Hundred Thirty Seven and Zero Nine Paisa Only).**

rticulars	Approaches	Methods	Equity Value (In INR)	Weights	Value adjusted weights (INR)
CTC AIR RRIERS IVATE LIMITED	Income Approach	DCF Method	10,70,64,634.80	50.00%	5,35,32,317.40
	Market Approach	Comparable Companies Multiple method	9,62,15,365.20	50.00%	4,81,07,682.60
	Assets Approach	NAV method	3,75,92,656.86	0.00%	-
			Equity Value as on 31 July 2024 (In INR)		10,16,40,000.00
			No of outstanding equity Shares		4,530.00
			Value per share as on 31 July 2024(In INR)		22,437.09

- refer Annexure below for detailed working.

We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of report.

For SPA Capital Advisors Limited

(SEBI Regn. No.: INM 000010825)

(Khushboo Tanwar)
Vice President

(Anish Kumar)
Vice President

CAVEATS, LIMITATION AND DISCLAIMERS:

The Final Report has been prepared for the purpose as mentioned above in the "purpose" section of this report and hence, the Final Report cannot be disclosed, in whole or in part, to any third party or used for any other purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon all the information as provided by the management of the company and its representatives either through any of the communication channel such as mail/telephonic/WhatsApp communication etc. and assumed, without independent verification (Legal or Financial Due diligence), the truthfulness and accuracy , in terms of audited, actual & projected data including but not limited to any Capex Schedule, Working Capital Requirements, Capital Structure of the company, Debt Schedule (historic as well as projected) , Non-Current Investment etc.

Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. However we make no representation as to accuracy or completeness of such information and have performed no procedures to corroborate the information. The report is based upon the market conditions, its outlook, management estimates and other factors including legal guidelines at and as on date of signing. SPA or their representatives does not take any responsibility for change in regulations governing the purposes, after date of signing nor are they liable in case the

subject company does not fulfil its projections and its actual performance does not support the projections after the date of signing.

In case there is more than one guidelines or if there is no clarity over the rules or it is dependent upon the interpretation of the reader than it should be read with the scope of work and valuer judgement which is derived after the discussion of management. SPA or its representatives does not be accountable for any changes in the rule or any clarification after date of signing.

Future services regarding this subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of SPA or any of its employees. In case of any liability/ misconduct/gross negligence, SPA/ its employee / signing authority of the report or any person involved in this assignment will not be responsible. In case of any legal dispute the maximum liability assigned to company/ its employee/ signing authority will be limited to the fee charged for this assignment.

Neither all nor any part of the contents of this report should be disseminated to the public through advertising media, public relations, news media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of SPA. The conclusions described in the Final Report have been prepared with the sole purpose of determining valuation of shares of CTC AIR CARRIERS for the purposes mentioned in the report therefore; the values contained in this Final Report have no relevance for other purposes.

The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.

The Final Report and the Opinion are necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us.

It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion.

In addition, SPA is expressing no opinion as to the price at which any securities of CTC AIR CARRIERS will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of CTC AIR CARRIERS or its business units. It is understood that SPA or certain SPA affiliates, in the ordinary course of their activities, may actively trade, for their own account or for the account of customers, the equity and debt securities of CTC AIR CARRIERS or companies directly or indirectly controlled by, affiliated with CTC AIR CARRIERS or in which CTC AIR CARRIERS holds securities, and, accordingly, may at any time hold long or short positions in such securities.

It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with Counterparties which may have interests with respect to CTC AIR CARRIERS , or companies directly or indirectly controlled by, affiliated with CTC AIR CARRIERS or in which CTC AIR CARRIERS holds securities.

Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of CTC AIR CARRIERS or companies directly or indirectly controlled

by, affiliated with CTC AIR CARRIERS or in which CTC AIR CARRIERS holds securities, or other parties with an interest in the Transaction. For clarity SPA/company means SPA CAPITAL ADVISORS LIMITED and its representatives include any person who is involved with this exercise including signatory, analyst, accountants, executioner, promoter or any person on the pay roll of the company.

Annexure:

Particulars	Approaches	Methods	Equity Value (In INR)	Weights	Value adjusted weights (INR)
CTC AIR CARRIERS PRIVATE LIMITED	Income Approach	DCF Method	10,70,64,634.80	50.00%	5,35,32,317.40
	Market Approach	Comparable Companies Multiple method	9,62,15,365.20	50.00%	4,81,07,682.60
	Assets Approach	NAV method	3,75,92,656.86	0.00%	-
Equity Value as on 31 July 2024 (In INR)					10,16,40,000.00
No of outstanding equity Shares					4,530.00
Value per share as on 31 July 2024(In INR)					22,437.09

Income Approach

DISCOUNTED CASH FLOW STATEMENT							(In INR)
Particulars	31 JULY, 2024 to March 31, 2025	2026	2027	2028	2029	2030	Sustainable Cash flows for perpetuity
PBT	58,30,922.61	1,27,29,473.97	1,63,37,561.44	1,70,49,826.24	1,84,33,592.65	2,18,62,451.49	2,25,18,325.03
Less : Tax @ 25.17%	14,67,643.22	32,04,008.60	41,12,164.22	42,91,441.26	46,39,735.27	55,02,779.04	56,67,862.41
PAT	43,63,279.39	95,25,465.37	1,22,25,397.23	1,27,58,384.97	1,37,93,857.38	1,63,59,672.45	1,68,50,462.62
Less : Other Non-Operational Income (Net of Taxes)	1,34,320.00	5,08,432.44	5,44,022.71	5,82,104.29	6,22,851.60	6,66,451.21	6,66,451.21
PAT Excluding other Income	**42,28,959.39**	**90,17,032.94**	**1,16,81,374.52**	**1,21,76,280.68**	**1,31,71,005.79**	**1,56,93,221.24**	**1,61,84,011.41**
Add: Depreciation	4,08,465.75	6,54,712.25	6,67,806.49	6,81,162.62	6,94,785.87	7,08,681.59	6,00,000.00
CapEx	-3,00,465.75	-2,38,552.25	-8,43,323.29	-5,02,451.00	-6,03,153.55	-12,46,321.00	-6,00,000.00
Changes in NCWCC	1,12,64,904.18	32,82,556.23	9,21,589.87	6,30,577.83	14,84,005.87	5,87,982.41	0.00
Changes in LONG TERM BORROWINGS	415527.25	-457079.975	-411371.9775	-370234.7798	-333211.3018	-899670.5148	0.00
Cash Flow	**1,56,01,863.57**	**1,27,15,749.17**	**1,24,27,447.59**	**1,29,85,570.13**	**1,47,46,643.98**	**1,57,43,564.24**	**1,61,84,011.41**
Cash Flow	**1,56,01,863.57**	**1,27,15,749.17**	**1,24,27,447.59**	**1,29,85,570.13**	**1,47,46,643.98**	**1,57,43,564.24**	**10,09,69,953.56**
Discounting Period	0.66	1.66	2.66	3.66	4.66	5.66	
Discounting Rate-Ke	19.03%						
Discounting Factor	0.89	0.75	0.63	0.53	0.44	0.37	0.37
Discounted Cash Flow	**1,39,00,126.45**	**95,17,724.15**	**78,14,874.13**	**68,60,408.17**	**65,45,321.98**	**58,70,698.36**	**3,76,51,203.46**

SUM OF Discounted Cash Flow	8,81,60,356.70
ADJUSTMENTS :	
Add-Cash & cash equivalent as on 31-07-2024	1,93,23,606.91
Add-Tax benefit on Net Block of Tangible Assets	2,35,561.16
Less:Present value of borrowings	-6,05,083.72
Less:Present value of interest payment	-49,806.26
Equity Value (In INR) as on 31-07-2024	**10,70,64,634.80**

Market Approach

Approach	Methods	Equity Value (In INR)	Weights	Value adjusted weights (INR)
Market Approach	EV-EBITDA Multiple Method	10,82,23,179.04	50.00%	5,41,11,589.52
	Price to Book Value Multiple Method (P/BV Multiple)	8,42,07,551.37	50.00%	4,21,03,775.68
	Total Equity Value (In INR) as on July 31, 2024			**9,62,15,365.20**

Enterprise Value (EV) / EBITDA (EV to EBITDA Multiple Method)	
EBITDA for the year ended July 31, 2024	73,21,580.26
Average of Mean & Median EV/EBITDA Company Comparable multiple	18.16
Less: Discount for lack of Marketability & Liquidity	30%
Adjusted EV/EBITDA multiple	12.71
Enterprise Value	**9,30,54,844.63**
Add: Cash & Cash equivalent as on July 31, 2024	1,93,23,606.91
Less: Debt outstanding as on July 31, 2024	-41,55,272.50
Equity Value (In INR) as on July 31, 2024	**10,82,23,179.04**

Price to Book Value Multiple Method (P/BV Multiple)	
Net worth for the year ended July 31, 2024	3,75,92,656.86
Average of Mean & Median P-BV multiple	3.20
Less: Discount for lack of Marketability & Liquidity	30%
Adjusted P-BV multiple	2.24
Equity Value (In INR) as on July 31, 2024	**8,42,07,551.37**

CONSENT LETTER

Date: 30th June 2025

To,

The Board of Directors,
Skayways Air Services Limited
RZ 128-129A, Mahipalpura Extension,
NH-8, New Delhi- 110037, India

Dear Sir/ma'am

Sub: Consent for disclosure of valuation report dated 1st August 2024 ("Valuation Report")

As per your request, we provide our consent and no objection for (i) disclosure of Valuation Report for valuation of equity shares of CTC AIR CARRIERS PRIVATE LIMITED as on 31st July 2024, and (ii) use of our name in the Draft Red Hearing Prospectus/ Red Hearing Prospectus/ Prospectus to be filed in relation to proposed initial public offer (IPO) of equity shares of Skyways Air Services Limited.

Further, we have no objection for submission of the said valuation report to the Securities Exchange Board of India, BSE Limited, National Stock Exchange and/or Registrar of Companies and it being made part of material contracts and documents which are available for public inspection.

It is hereby noted that all other sections of the valuation report, including the caveats, shall remain fully applicable, including but not limited to, the fact that, no due diligence has been conducted on the company's financials, and the exclusion of any liability concerning the future projections of financials.

Yours Faithfully,

For SPA Capital Advisors Limited

(SEBI Regn. No.: INM 000010825)

SPA Capital Advisors Limited New Delhi

(Khushboo Tanwar)
Vice President

(Anish Kumar)
Vice President