VALUATION REPORT

ON

FAIR SHARE EXCHANGE RATIO

PURSUANT TO THE SCHEME OF AMALGAMATION OF

FIBA HARDWYN LOCKS LIMITED
(CIN: U28933DL2005PLC139819)
(TRANSFEROR COMPANY)

WITH

HARDWYN INDIA LIMITED
(TRANSFEREE COMPANY)
(CIN: L74990DL2017PLC324826)

UNDER SECTION 230-232 OF THE COMPANIES ACT, 2013

AS AT JULY 31, 2022

Prepared By:

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Date: October 21, 2022

To,

The Board of Directors **Hardwyn India Limited** **B-101, Phase-1, Mayapuri,** **New Delhi- 110064**	**The Board of Directors** **Fiba Hardwyn Locks Limited** **C-147, Mayapuri Industrial Area,** **Phase- II, New Delhi- 110064**

Dear Sir,

Sub: Recommendation of Fair Exchange Ratio for Proposed Amalgamation of Fiba Hardwyn Locks Limited with Hardwyn India Limited in connection with Scheme of Amalgamation under Sections 230-232 Of the Company Act, 2013 and Other Applicable Provisions

I refer to our engagement letter dated October 12, 2022 for Recommendation of Fair Exchange Ratio for Proposed Amalgamation of Fiba Hardwyn Locks Limited (herein after referred as "Transferor Company" or "FHLL") with Hardwyn India Limited (herein after referred as "Transferee Company" or "HIL") in connection with Scheme of Amalgamation under Sections 230-232 of the Company Act, 2013 and Other Applicable Provisions. In accordance with the terms of the engagement, I am enclosing my report along with this letter. In attached report, I have summarized my Valuation analysis of Recommendation of Fair Exchange Ratio as at July 31, 2022 together with the description of methodologies used and limitation on my Scope of Work.

This report and the information contained herein are absolutely confidential and are intended for the use of management and representatives of the Companies for providing selected information or for sharing with the SEBI, Stock Exchanges, shareholders, creditors, Regional Directors, Registrar of Companies, NCLT, SEBI and office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued with my prior written consent. In the event, the Companies or their management or their representatives intend to extend the use of this report beyond the purpose mentioned earlier in this report, with or without my consent, I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report.

Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,

Yours faithfully,

CS Khusbu Agrawal
IBBI/RV/03/2021/14393
ICSI RVO COP No.: CST-020281

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Place: Kolkata

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1. BACKGROUND OF THE COMPANIES:

HARDWYN INDIA LIMITED ("TRANSFEREE COMPANY"):

HISTORY:

Hardwyn India Limited ("Transferee Company" or "HIL") (CIN:) is a Public Limited Company incorporated on October 12, 2017 under the Companies Act, 2013, in the State of Delhi as "Garv Industries Limited" . Subsequently the name of the Company was altered as "Hardwyn India Limited" vide a fresh Certificate of Incorporation consequent upon conversion dated January 07, 2020 issued by Registrar of Companies, Delhi. The Corporate Identification Number(CIN) of the Company is L74990DL2017PLC324826. The Registered Office of Hardwyn India Limited is situated at B-101, Phase-1, Mayapuri, New Delhi-110064. Hardwyn India Limited is engaged in the business of manufacturing of architecture hardware and glass fittings. The Equity Shares of Hardwyn India Limited are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

Main Objects of the Company:

- *To carry on the business of manufacturing, importing, exporting, trading of all type of goods including but not limited to the hardware good, kitchen equipment including modular kitchen, home furniture & to do all type of metal and metal compounds whatsoever whether ferrous or non-ferrous and buying, selling, reselling, transporting, storing, developing, promoting and marketing, or supplying, trading, dealing in all types of Goods on retail as well as wholesale basis in India or elsewhere.*

- *To carry on the business as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company.*

- *To act as trader, agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockist, liasioner, job worker, export house of goods, merchandise and services of all grades, specifications, descriptions, applications, modalities, fashions, including by-products, spares or accessories thereof, on retail as well as on wholesale basis.*

➢ **CAPITAL STRUCTURE OF THE COMPANY**

The Share Capital of the Transferee Company as on the latest Audited Balance Sheet as on July 31, 2022, is as follows:

PARTICULARS	AMOUNT
Authorised Share Capital:	
• 15600000 Equity Shares of Rs.10/- each	15,60,00,000
Total	15,60,00,000
Issued Subscribed and Paid Up Share Capital:	
• 15299697 Equity Shares of Rs.10/- each	15,29,96,970
Total	15,29,96,970

The authorized share capital has been increased to Rs. 16,60,00,000 divided into 1,60,00,000 equity shares of Rs. 10/- each in the Annual General Meeting held on September 30, 2022.

Subsequent to the above date, there has been no change in the Authorized, issued, subscribed and paid up share capital of the Company till the date of signing of this report.

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The Shareholding pattern of Hardwyn India Limited as on July 31, 2022, (as per BSE) is as follows:-

Sl. No.	Category	No. of Shares	%Holding
1.	Promoter & Promoter Group	1,14,52,200	74.85
2.	Public	38,47,497	25.15
Total		1,52,99,697	100

Fiba Hardwyn Locks Limited (Transferor Company)

History

Fiba Hardwyn Locks Limited (CIN: U28933DL2005PLC139819) is a Private Limited Company incorporated on August 22, 2005 under the Companies Act, 1956, in the State of Delhi. The Registered Office of Hardwyn India Limited is situated at C-147 Mayapuri Industrial Area, Phase II, New Delhi-110064. Fiba is engaged in the business of Manufacture of other fabricated metal products, metal working service activities.

Main Objects Of The Company:

To establish and carry on in India or elsewhere the business of manufacturers, drawers, developers, rollers, extruders, converter, makers, designer, importers, exporters, agent stockists brokers, traders, distributors, supplier, provider, job worker, dye casters, metallurgists, Wholesalers, retailer, concessionaires, fabricators, cutters, moulders or otherwise to deal in hardware products of all shapes sizes varieties, dimensions, specification, description, application and uses such as rods nuts, bolts nail, springs, metal plates, circle, cable, coils, conductor, door, windows, locks, whether made of iron or its combination with plastic, fiber, aluminium, copper, and any other ferrous or non-ferrous materials.

➢ **CAPITAL STRUCTURE OF THE COMPANY**

The Share Capital of the Transferor Company as on the latest balance sheet date i.e. July 31, 2022, is as follows:

PARTICULARS	AMOUNT
Authorised Share Capital:	
• 68,00,000 Equity Shares	6,80,00,000
Total	6,80,00,000
Issued Subscribed and Paid Up Share Capital:	
• 6586680 Equity Shares of Rs.10/- each	6,58,66,800
Total	6,58,66,800

2. RATIONALE OF SCHEME

The amalgamation of the Transferor Companies into the Transferee Company would inter alia have the following benefits:

2.1 The Transferor Company's business shall be integrated and consolidated with business in relation to generic products carried out by the Transferee Company resulting in strengthening of the business, synergistic benefits, economies of scale, faster decision making, integration of supply chain, reduction in operating costs, strengthening the focus, enhancing the ability to deal with regulatory challenges,

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long-term growth, increasing profitability, higher market share, reduction in overhead cost, administrative, managerial, better customer service, increased ability to face the competitive regulatory environment, risks and policies and consolidating the financial, management and operational resources and optimal utilization of various resources due to consolidation of activities.

2.2 In view of focused management time and operation attention and to manage the business more effectively.

2.3 The proposed amalgamation shall also enable the Transferor Company's to address the competitive regulatory environment, risks and policies, better management of supply chain, better product profiling, greater differentiation, ability to strategize the business for long term growth, consolidation and creation of shareholder value.

2.4 The proposed amalgamation shall enable the Transferee Company to better focus, strategize and grow the businesses, will also help retain and increase the competitive strength thereby directly and indirectly strengthening the reputation, goodwill, customer service, customer recall, distribution network, overall economies of scale for the respective businesses of the Transferor Company and the Transferee Company.

2.5 The proposed amalgamation to the Transferee Company shall help retain, enhance and grow the goodwill and the reputation of the business thereby directly and indirectly supporting the growth of the business and further diluting any adverse competitive pressures.

2.6 The proposed amalgamation shall most likely allow a focused strategy in operations with faster decision making, economy of scale which would be in the best interests of the Transferor and Transferee Companies and the irrespective shareholders and other stakeholders.

2.7 The proposed amalgamation will result in cost saving for both the Companies as they are engaged in related activities which is expected to result in higher profitability levels through faster and effective decision making and avoiding duplication of efforts for both the Companies. It is believed that the faster decision making of the Companies would be in the best interests of the shareholders, employees and other stakeholders of both the Companies.

The Transferee Company would be in a position to consolidate operations including the integration of supply chain through optimum utilization of its resources and avoidance of duplication. The Transferee Company would be in a position to achieve cost efficiencies in manpower and other costs in relation to the business.

2.8 The Boards of Transferor Company's as well as Transferee Company believe that the proposed amalgamation will contribute to smooth integration of relevant undertakings of both the Companies and would benefit the shareholders, employees and other stakeholders of the Transferor Company's and the Transferee Company.

3. SCOPE AND PROPOSE OF TRANSACTION:

Registered Valuer has been informed by the management of transacting Companies (hereinafter referred to as the 'Management') that they are considering a proposal for amalgamation of the Transferor

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Company with the Transferee Company (hereinafter referred to as 'Amalgamation') pursuant to the Scheme of Amalgamation between the Companies and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and rules made thereunder.

In this regards, Registered Valuer have been appointed to undertake the fair valuation of the equity shares of the Companies and to recommend the Swap Ratio for the proposed scheme in accordance with Internationally accepted Valuation Standards issued by institute of Chartered Accountants of India. Registered Valuer understand that the appointed date for the Proposed Amalgamation means closing hours of 31st Day of March 2022 or such other date as may be mutually agreed in writing between the companies and fixed by the Board of the Companies, or such other date as approved by the National Company Law Tribunal as per the draft Scheme of Amalgamation. For the purpose of this report, we have considered 21st October 2022 i.e. the date of report as valuation date ("Valuation Date"). The scope of our services is to conduct a relative valuation of the shares of the Companies and to recommend a Swap Ratio. This Report is subject to the scope limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, not in parts, in conjunction with the relevant documents referred to therein.

In light of the above, we have determined the share exchange ratio based on valuation analysis considering the audited financial statements of the Transacting Companies as at July 31, 2022 and market prices upto the report date.

4. IDENTITY OF THE VALUER AND DISCLOSURE OF INTEREST:

Name of the Valuer	Khusbu Agrawal
Professional Address of the Valuer	35Q HMI Road, Ashroy Apartment, Tollygunge, Kolkata-700082
Contact Detail	7003255822
Email address	cskhusbunco@gmail.com
Qualifications	FCS, M.com, MJMC, LLB, Registered Valuer (SFA)
Disclosure of Interest or Conflict	I am not interested in any manner with respect to the aforesaid merger. Neither me nor any of my team member working on this independent valuation have directly or indirectly, through the client or otherwise, shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value. Moreover, the fee for the engagement is not contingent upon the conclusion of this Report.

5. KEY DATES:

Appointing Authority:- Board of Directors of the Transferee & Transferor Company
Appointment Date:- October 12, 2022
Relevant Date:- July 31, 2022
Valuation Date:- July 31, 2022
Report Date:- October 21, 2022
Valuation Currency:- INR

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6. NATURE AND SOURCES OF INFORMATION USED OR RELIED UPON:

For the aforementioned purpose, we have relied on the following information about the transacting companies received from the management 'and / or gathered from public domain:

- A brief overview of the business of transacting companies and other relevant information.
- Salient features of the Proposed Amalgamation.
- Draft Scheme of Amalgamation.
- Audited Financial Statement of transacting companies for the financial year ending as on 31st March 2022 and 31st July, 2022.
- Projected Financial Statements for the financial year 8 months and 4 years ending on 31st March 2027.
- Details of investments of transacting companies as on 31st March 2022 and 31st July, 2022.
- Memorandum of Association and Articles of Association of the companies

We have also received necessary explanations and information, which we believed were relevant to the present valuation exercise from the executives and management of the company.

For our analysis, we have also relied on published and secondary source of data. We have not independently verified the accuracy or timeliness of the same.

7. INSPECTIONS AND INVESTIGATIONS UNDERTAKEN:

Website of the Ministry of Corporate Affairs (www.mca.gov.in), BSE, NSE was inspected to carry out the inspections of various documents filed by the Company as considered necessary in connection with performance of the duties.

8. VALUATION APPROACH & METHODOLOGY:

In case of a merger valuation, the emphasis is on arriving at the "relative" values of the shares of the merging companies to facilitate determination of the "share exchange ratio". Hence, the purpose is not to arrive at absolute values of the shares of the companies.

Judicial Pronouncements:

Hindustan lever Employees' Union v/s Hindustan lever Limited and others (1995) 83 Company cases 30 (SC).

The jurisdiction of the Court in sanctioning a claim of merger is not to ascertain mathematical accuracy if the determination satisfied the arithmetical test. It is not required to interfere only because the figure arrived at by the valuer was not as good as it would have been if another method had been adopted. What is imperative is that such determination should not have been contrary to law and that it was not unfair for the shareholders of the company which was being merged.

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The Hon'ble Supreme Court held "*We do not think that the internal management, business activity or institutional operation of public bodies can be subjected to inspection by the court. To do so, is incompetent and improper and, therefore, out of bounds.*"

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. Present and prospective competition, yield on comparable securities, and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

Based on the facts of the case, we have valued Equity Shares of Fiba Hardwyn Locks Limited (Transferor Company) as per Net Asset Value (NAV) Method and Discounted Cash Flow (DCF) Method and Hardwyn India Limited (Transferee Company) as per Discounted Cash Flow (DCF) Method and Market Price Method (90 Days-10 Days) and Net Asset Value (NAV) Method.

A. VALUATION APPROACH

Market Approach:

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

(a) Where the asset to be valued or a comparable or identical asset is traded in the active market;
(b) There is a recent, orderly transaction in the asset to be valued; or
(c) There are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

Income Approach:

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

The following are some of the instances where a valuer may apply the income approach:

(a) Where the asset does not have any market comparable or comparable transaction;
(b) Where the asset has fewer relevant market comparable; or
(c) Where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.

Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Examples of situations where a valuer applies the cost approach are:

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(a) An asset can be quickly recreated with substantially the same utility as the asset to be valued;
(b) In case where liquidation value is to be determined; or
c) Income approach and/or market approach cannot be used.

B. VALUATION METHODS

UNDER MARKET APPROACH

(i) **Market Price Method**: A valuer shall consider the traded price observed over a reasonable period while valuing assets which are traded in the active market. A valuer shall also consider the market where the trading volume of asset is the highest when such asset is traded in more than one active market. A valuer shall use average price of the asset over a reasonable period. The valuer should consider using weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

(ii) **Comparable Companies Multiple (CCM) Method**: Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market. The market multiples are generally computed on the basis of following inputs:

(a) trading prices of market comparables in an active market; and
(b) financial metrics such as PE Multiple and Profit After Tax (PAT), etc..

(iii) **Comparable Transaction Multiple (CTM) Method**

Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparables (comparable transactions).

The price paid in comparable transactions generally include control premium, except where transaction involves acquisition of noncontrolling/minority stake.

While identifying and selecting the comparable transaction, a valuer may consider the factors such as-
(a) transactions that have been consummated closer to the valuation date are generally more representative of the market conditions prevailing during that time;
(b) the selected comparable is an orderly transaction;
(c) availability of sufficient information on the transactions to enable the valuer to reasonably understand the market comparable and derive the transaction multiple; or
(d) availability of information on transaction from reliable sources such as regulatory filings, industry magazines, Merger & Acquisition databases, etc.

The transaction multiples are generally computed based on the following two inputs:
(a) price paid in the comparable transaction; and

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(b) financial metrics such as EBITDA, PAT, Sales, Book Value, etc of the market comparable. Even multiples based on non-financial metrics such as EV per room for hotels, EV/Bed for hospitals) can be considered.

- **UNDER INCOME APPROACH**

The income approach is appropriate for estimating the value of a specific income / cash flows stream with consideration given to the risk inherent in that stream. The most common method under this approach is discounted cash flow method.

Discounted Cash Flow Method

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow ("DCF") Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows. Under the Discounted Cash Flow method (DCF), the projected free cash flows to the firm/ equity shareholders are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm / equity. Using the DCF analysis involves determining the following:

Estimating Future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's capital. We have taken the earnings before interest and tax, to which we have added depreciation. Further such earnings are adjusted for non-operating incomes and expenses so as to arrive at EBITDA. The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. Usually "constant growth model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

Appropriate discount rate to be applied to cash flows:

The Free Cash Flows arrived at above are discounted at appropriate discount rate to arrive at the Present Value thereof. This discount rate should reflect the opportunity cost to the providers of capital. The opportunity cost equals the rate of return the capital provider expects to earn on other investments of equivalent risk. The discounting factor reflects not only the time value of money, but also risk associated with the business' future operations.

Equity Value

The Equity Value (aggregate of present value of explicit period and terminal period cash flows) so derived, is further adjusted for the cash, non-operating assets liabilities (e.g. fair value of investment subsidiaries / associates, value of surplus assets, any contingent liabilities, etc.) and preference shareholder's liability, if any, to arrive at value to the owners of the business.

For valuation of transacting companies, these entities have significant investments and property in their balance sheet without any other operational business, Thus, this method has not been used for the valuation exercise.



➢ **UNDER COST APPROACH:**

A) Replacement Cost Method/NAV method

Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

B) Reproduction Cost Method

Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

9. VALUATION ANALYSIS:

Approach	Valuation methodologies	Basis of Consideration
Cost Approach	NAV Method	The Net Asset based method views the business as a set of assets and liabilities that are used as building blocks of a business value. The difference in the value of these assets and liabilities on a Book Value basis or Realizable Value basis or Replacement Cost basis is the business value. In the present case, the business of HIL and FHLL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore the Adjusted Net Asset Value (NAV) Method has been adopted but not given weightage for the present valuation exercise for both the companies
Market Approach	Comparable Companies Multiples (CCM) Method	In present case FHLL is a private limited company and as such no comparable companies are available. Therefore market approach is not used while valuing the FHLL. The shares of the HIL are frequently traded on National Stock Exchange of India Limited and Bombay Stock Exchange of India Limited; hence, we have applied Market Price Method and not applied Comparable Companies Multiples (CCM) Method while valuing the KIL.
	Market Price Method (90 Trading Days and 10 Trading Days) (as required under SEBI pricing	In this method the VWAP (Volume Weighted Average Price) of the latest 90 Trading days (TD) VWAP and 10 Trading days are taken. The maximum of these two is then taken as the fair market value. Since HIL is listed on emerge Platform of National Stock Exchange of India Limited and frequently traded, we have

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	guidelines as per SEBI (ICDR) Regulations, 2018	applied this methodology in this instant case. Also, FHLL is not listed; therefore, we have deemed it appropriate to ignore this methodology for the valuation analysis of HIL.
Income Approach	Discounted Free Cash Flow (DFCF) Method	The DFCF method expresses the present value of the business as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the firm is arrived at by estimating the Free Cash Flows (FCF) to Firm and discounting the same with Weighted Average cost of capital (WACC). The DCF methodology is considered to be the most appropriate basis for determining earning capability of a business. In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and Capex is being met. We have considered this methodology for calculation of fair value of the Company based on its cash flows In the present case, the business of HIL and FHLL are intended to be continued on a 'going concern basis' we have considered this methodology in the instant cases.

10. ASSUMPTIONS

- All assets (except investments in equity shares and immovable property) have been assumed to be realizable at their carrying value in the books as of 31st March 2022 & 31st July,2022 respectively, and no write down is considered with respect to value of these assets.
- The liabilities have been considered at book values and no additional cash outflow towards any unrecognized liability/ contingent liability has been considered.
- The investments in listed equity shares have been fair valued by considering the formula as detailed in para above for the related equity shares quoted on the recognized stock exchange on the valuation date.
- The investments in unquoted equity shares (investments in unlisted Group companies) have been valued using NAV method by replacing the book value with the estimated fair value wherever applicable.
- In case of investment in equity shares of Companies with a negative Net Asset Value, we have considered the fair value of such investment to be NIL.



11. SCOPE, LIMITATIONS AND CAVEATS:

I. 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, my report on the recommendation of fair equity share exchange ratio of the Companies is in accordance with International Valuation Standard.

II. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (I) the accuracy of information made available to us by the Companies and (ii) the accuracy of the information that was publicly available and formed substantial basis for this Report. We have not carried out a due diligence or audit of the Companies, nor have we independently investigated or otherwise verified the data provided by the Companies. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding Its accuracy and completeness.

III. The respective management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Valuation Report. However, nothing has come to our attention to indicate that the information provided was materially misstated / incorrect. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

IV. Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formulae to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore, no undisputable single exchange ratio. While we have provided our recommendation of the exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have different opinion as to the exchange ratio.

V. This report and its contents are prepared for the Companies and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to, or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the Companies, and it is given on the express undertaking that will not be communicated, in whole or in part to any third party without the prior written consent of the Valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this Proposed Amalgamation without prior written consent of the Valuer.

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VI. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither ourselves nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the Board of Directors of the Companies and nobody else. We are not Liable to any third party in relation to the issue of this report. In, no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the Companies, their management, directors, employees or agents

VII. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof Events occurring after the date hereof, may affect this Report and the assumptions used in preparing it, and we have no obligation to update this Report.

VIII. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the Companies will be managed in a competent and responsible manner. Our conclusion of value assumes that the assets & liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the date hereof.

IX. In addition, we express no opinion or recommendation as to how the shareholders or creditors of Companies should vote at their respective meeting(s) to be held in connection with the Proposed Amalgamation.

X. The fee for this engagement is not contingent upon the results of this report.

XI. Any person/party intending to provide finance/deal in the shares/ business of any of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures and therefore forms a reliable basis for the valuation.

XII. In the course of valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

12. CIRCULATION OF REPORT

The Analysis is confidential and has been prepared exclusively for Companies as per the Scheme for submission to the relevant authorities etc. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of me. Such consent will only be given after full consideration of the circumstances at the time.

This report has been prepared solely for the purpose of assisting the management of the Company in determining the value of its Equity Share for the Proposed further issue of shares. The report or any

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contents herein, shall not be referred to or quoted in any agreement or document, other than in connection with the Proposed further issue of shares, without our prior consent.

13. RECOMMENDATION OF RATIOS:

The fair equity share exchange ratio of equity shares of transferor companies and transferee has been based on the approaches explained herein earlier and various qualitative factors relevant to the companies and the business dynamics arid growth potential of the businesses, having regard to and outlined herein above, we consider that the fair exchange ratio for the amalgamation of FHLL and Information base, management representation and perceptions, key underlying assumptions and limitations.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed HIL as follows.

S.No.	Name	Hardwyn India Limited (Transferee Company)			Fiba Hardwyn Locks Limited (Transferor Company)		
	Methods	Per Share Value	Weight (Wgt)	Value *Wgt	Per Share Value	Weight (Wgt)	Value *Wgt
1	Income Approach (Discounted Cash Flow Method)	182.58	0%	0.00	1653.00	100%	1653.00
2	Market Price Method (As per SEBI pricing guidelines)	182.61	100%	182.61	0		
3	Cost Approach (Net Asset Value Method)	11	0%	0	10	0%	0
Weighted Average Fair Value Per Share (In INR) as on July 31, 2022		182.61			1653		
Share Exchange Ratio		9.052078199					

NA= Not Applicable/Not Adopted

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14. CONCLUSION:

14. CONCLUSION:

Based on the above, we recommend the following exchange ratio to the shareholders of the Transferor Company in respect to the proposed Scheme of Amalgamation:

For every 1 equity shares of face value of Rs.10/-(Rupees Ten only) each held as fully paid-up in the Transferor Company shall be issued 9 Equity Shares of face value of Rs.10/- (Rupees Ten only) each as fully paid-up in the Transferee Company and fraction of shares cash consideration would be given to the shareholders of Transferor Company.

CS Khusbu Agrawal

Registered Valuer (SFA)

Registration No.: IBBI/RV/03/2021/14393

Practising Company Secretary, FCS

Place: Kolkata
Date: 21.10.2022

Annexure-I

FINANCIAL FACTS

1. Calculation of Valuer per share of HIL using Asset Approach (Adjusted NAV Method).

Net Asset Value as on 31.07.2022		
Particulars	**Amount (In INR Thousand)**	**Amount (In INR Thousand)**
Non Current Assets		**9498.19**
Tangible Assets	9498.19	
Deferred Tax Assets	0.00	
Other Non Current Assets	0.00	
Current Assets		**549184.10**
Inventories	191041.35	
Trade Receivable	260363.99	
Cash & Bank Balance	12815.36	
Short Term Loan and Advances	0.00	
Other Current Assets	84963.40	
Total Book Value of Assets		**558682.29**
		0.00
Less : Deferred Tax		**0.00**
Adjusted Book Value of Assets (A)		**558682.29**
Share Holder's Fund		**163954.56**
Share Capital	152996.97	
Reserves & Surplus	10957.59	
Revaluation Reserve	0.00	
Non Current Liabilities		**13.64**
Long Term Borrowings	0.00	
Other Non Current Liabilities	0.00	
Deferred Tax Liability	13.64	
Current Liabilities		**394714.08**
Short Term Borrowing	96564.45	
Trade Payable	273109.43	
Other Current Liabilities	7867.62	
Current Tax Liabilities	17172.58	
Total Book Value of Liabilities		**558682.28**
Less: Paid Up Capital in respect of Equity Shares		**152996.97**
Less : Reserves & Surplus		**10957.59**
Less : Uncertain Provisions		**0.00**
Adjusted Book Value of liabilities (B)		**394727.72**
Net Asset Value (A-B)		**163954.57**
Number of Equity Shares Outstanding		**15299697.00**
Equity Value Per Share (In Rs)		**10.72**
Equity Value Per Share (ROUND OFF)		**11.00**

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2. Calculation of Valuer per share of HIL using Discounted Cash Flow Method (DCF Method).

IN INR	-	1st August to 31st March 2023	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Terminal Value
Revenue	-	8,57,702.35	13,83,585.00	15,90,357.00	18,34,575.00	21,19,257.00	182.58
Less: Expenses other than Dep and	-	7,25,901.88	11,69,651.00	13,39,771.00	15,42,833.00	17,62,280.00	
EBITDA	-	1,31,800.47	2,13,934.00	2,50,586.00	2,91,742.00	3,56,977.00	
Less: Depreciation	-	1,800.61	1,735.00	1,441.00	1,192.00	1,102.00	
Less: Interest	-	5,827.41	8,505.00	8,977.00	9,557.00	10,191.00	
Profit before tax	-	1,24,172.45	2,03,694.00	2,40,168.00	2,80,993.00	3,45,684.00	
Less: Tax	0.28	35,488.93	56,683.00	66,935.00	78,204.00	96,000.00	
PAT	-	88,683.52	1,47,011.00	1,73,233.00	2,02,789.00	2,49,684.00	2,49,684.00
Add: Depreciation	-	1,800.61	1,735.00	1,441.00	1,192.00	1,102.00	1,102.00
Add Interest Post Tax		4,209.08	6,143.07	6,483.99	6,902.92	7,360.85	7,360.85
Working Cap Requirement		(93,880.04)	18,591.00	5,14,020.00	1,67,110.00	2,11,049.00	2,11,049.00
Capex	-	2,190.58	(1,545.00)	(985.00)	(678.00)	(946.00)	(1,102.00)
Future Cashflow	-	3,003.75	1,71,935.07	6,94,192.99	3,77,315.92	4,68,249.85	4,68,093.85
Discounting Period	-	0.67	1.67	2.67	3.67	4.67	
Discount Rate	1.00	117.86%	117.86%	117.86%	117.86%	117.86%	
Discounting Factor	1.00	0.90	0.76	0.65	0.55	0.46	0.46
Present Value of Future Cash F	-	2,692.07	1,30,744.10	4,47,891.11	2,06,553.20	2,17,489.87	2,17,417.41

Sum of Present Value	10,05,370.36
Add: Investment	-
Add Cash and Bank	12,815.36
Less: Borrowings	-
Total Equity Value	10,18,185.72
Terminal Value	17,75,219.19
Less: DLOM	-
Adjusted Equity Value	27,93,404.90
No. of Shares	1,52,99,697.00
Value per Share	182.58
Value per Share Round Off	183.00

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3. Calculation of Valuer per share of HIL using Market Price Method

90 days Trading volume weighted average price

Amount in ('Thousand)

S.No.	Date	Close	Volume	VWAP 90 Days
1	29-Jul-22	205	7.18	1.83020303
2	28-Jul-22	199.75	12.39	2.77111718
3	27-Jul-22	190.25	3.79	0.97801771
4	26-Jul-22	200.25	0.84	0.20773848
5	25-Jul-22	190.75	1.54	0.3627859
6	22-Jul-22	181.63	9.47	2.04283567
7	21-Jul-22	173	3.01	0.60975436
8	20-Jul-22	172.57	5.41	1.1710353
9	19-Jul-22	172.17	6.85	1.43925122
10	18-Jul-22	170.1	3.77	0.82223732
11	15-Jul-22	168.77	5.07	1.11954256
12	14-Jul-22	177.5	17.21	3.91078397
13	13-Jul-22	181.1	31.17	6.9741008
14	12-Jul-22	172.57	5.26	1.10433236
15	11-Jul-22	164.37	10.32	2.02227239
16	08-Jul-22	156.57	3.75	0.72835363
17	07-Jul-22	153.5	8.46	1.63094156
18	06-Jul-22	148.67	2.62	0.50046362
19	05-Jul-22	147.37	0.16	0.02920516
20	04-Jul-22	148.3	1.92	0.34026577
21	01-Jul-22	150.27	0.81	0.15135232
22	30-Jun-22	151.73	2.44	0.45704046
23	29-Jun-22	158.33	0.78	0.16041768
24	28-Jun-22	160.33	3	0.56808526
25	27-Jun-22	152.7	2.59	0.48193857
26	24-Jun-22	154.83	0.7	0.1357
27	23-Jun-22	156.33	2.21	0.42577681
28	22-Jun-22	155	7.55	1.43098664
29	21-Jun-22	154.87	2.54	0.51027738
30	20-Jun-22	162.07	4.58	0.93894186
31	17-Jun-22	158.73	4.07	0.75662834
32	16-Jun-22	151.2	15.46	2.79846391
33	15-Jun-22	144	4.43	0.82957183
34	14-Jun-22	146.33	3.02	0.56157857
35	13-Jun-22	150.43	1.95	0.3628495
36	10-Jun-22	158.33	4.22	0.825165
37	09-Jun-22	166.67	9.76	2.15999605
38	08-Jun-22	170.67	4.43	0.85348022
39	07-Jun-22	162.67	4.98	1.04966729
40	06-Jun-22	165.6	2.14	0.44910611
41	03-Jun-22	162.67	13.57	2.56963901
42	02-Jun-22	155.73	1.35	0.26008991
43	01-Jun-22	155.4	7.33	1.4188002
44	31-May-22	149.83	4.26	0.71903152
45	30-May-22	142.7	6.15	1.0988002
46	27-May-22	150.2	9.08	1.57743862
47	26-May-22	147.97	4.49	0.83526244
48	25-May-22	150.63	1.33	0.24556019
49	24-May-22	157.33	3.69	0.71988996
50	23-May-22	153.43	10.62	1.92406511
51	20-May-22	154.17	6.2	1.13346095
52	19-May-22	154.6	4.97	0.94137344
53	18-May-22	160.7	16.58	3.24896088
54	17-May-22	163.27	0.85	0.1749611
55	16-May-22	158.97	8.41	1.63553167
56	13-May-22	165.7	12.47	2.55138184
57	12-May-22	157.83	13.14	2.53154177
58	11-May-22	150.33	28.11	4.72376587
59	10-May-22	143.2	0.86	0.15209208
60	09-May-22	150.73	19.25	3.59766648
61	06-May-22	158.63	19.2	3.76141876
62	05-May-22	166.97	35.59	7.39429148
63	04-May-22	160.23	3.61	0.71435842
64	02-May-22	152.63	6.67	1.25727671
65	29-Apr-22	145.37	6.56	1.17740058
66	28-Apr-22	138.47	14.74	2.51212765
67	27-Apr-22	131.9	100.26	16.8556955
68	26-Apr-22	129.67	9.75	1.56138233
69	25-Apr-22	123.5	19.39	2.95332794
70	22-Apr-22	117.63	40.31	5.85593205
71	21-Apr-22	112.03	1.66	0.22967174
72	20-Apr-22	106.7	32.32	4.25893395
73	19-Apr-22	101.63	0	0
74	18-Apr-22	96.8	10.48	1.25285778
75	13-Apr-22	88	16.95	1.81427716
76	12-Apr-22	80	0.17	0.01679593
77	11-Apr-22	72.73	11.25	1.01048819
78	07-Apr-22	66.13	11.25	1.06522934
79	06-Apr-22	73.33	7.5	0.66597095
80	05-Apr-22	71.9	3.75	0.33298548
81	04-Apr-22	68.5	7.5	0.61067406
82	31-Mar-22	65.27	3.75	0.30228042
83	30-Mar-22	63.23	3.75	0.29283271
84	28-Mar-22	63.23	7.5	0.58566542
85	25-Mar-22	60.67	11.25	0.79194042
86	14-Mar-22	60	3.75	0.27787383
87	10-Mar-22	63	3.75	0.29176752
88	08-Mar-22	60.67	7.5	0.55880428
89	07-Mar-22	58.57	7.5	0.54250235
90	03-Mar-22	61.63	7.5	0.57084548
			809.72	**138.077183**

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10 Trading days Volume Weighted Average Price

Amount in ('Thousand)

Date	Close	Volume	VWAP 10 Days
29-Jul-22	205	7.18	27.31708756
28-Jul-22	199.75	12.39	41.36090323
27-Jul-22	190.25	3.79	14.5976129
26-Jul-22	200.25	0.84	3.100645161
25-Jul-22	190.75	1.54	5.41483871
22-Jul-22	181.63	9.47	30.49078157
21-Jul-22	173	3.01	9.101019355
20-Jul-22	172.57	5.41	17.47853825
19-Jul-22	172.17	6.85	21.48185253
18-Jul-22	170.1	3.77	12.27247926
Total			**182.6157585**

As per SEBI regulations "The issuance of shares under schemes in case of allotment of shars only to a select group of shareholders or shareholders or unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended from time to time (hereinafter referred to as "the ICDR Regulations")

Since the value arrived via market approach is lower than the concluded value, this condition is satisfied.

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FINANCIAL FACTS

1. Calculation of Valuer per share of FHLL using Income Approach, 2022.

IN INR	-	1st August to 31st March 2023	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Revenue	-	37,21,83,111.00	97,54,87,713.46	1,95,09,75,426.92	3,90,19,50,853.84	7,80,39,01,707.68
Less: Expenses other than Dep a	-	36,89,27,208.00	82,17,03,448.20	1,39,68,95,861.94	2,37,47,22,965.30	4,03,70,29,041.01
EBITDA	-	32,55,903.00	15,37,84,265.26	55,40,79,564.98	1,52,72,27,888.54	3,76,68,72,666.67
Less: Depreciation	-	2,96,533.00	2,66,879.70	2,40,191.73	2,16,172.56	1,94,555.30
Less: Interest	-	43,276.00	38,948.40	35,053.56	31,548.20	28,393.38
Profit before tax	-	29,16,094.00	15,34,78,437.16	55,38,04,319.69	1,52,69,80,167.78	3,76,66,49,717.98
Less: Tax	-	7,33,980.86	3,86,30,522.63	13,93,92,547.27	38,43,40,908.23	94,80,65,734.02
PAT	-	21,82,113.14	11,48,47,914.53	41,44,11,772.42	1,14,26,39,259.55	2,81,85,83,983.97
Add: Depreciation	-	2,96,533.00	2,66,879.70	2,40,191.73	2,16,172.56	1,94,555.30
Less: Capex		-	-	-	-	-
WC Requirement	-	1,17,94,012.10	1,66,03,303.71	2,26,19,502.56	3,01,08,494.99	3,93,91,795.10
Future Cashflow	-	1,42,72,658.24	13,17,18,097.94	43,72,71,466.71	1,17,29,63,927.10	2,85,81,70,334.37
Discounting Period	-	0.33	1.33	2.33	3.33	4.33
Discount Rate	1.02	120%	120%	120%	120%	120%
Discounting Factor	1.00	0.94	0.78	0.65	0.55	0.45
Present Value of Future Cas	-	1,34,32,715.75	10,33,43,051.77	28,59,98,558.79	63,95,49,605.39	1,29,91,35,828.20
Sum of Present Value	2,34,14,59,759.90					
Add: Investment	-					
Add Cash and Bank	27,60,459.00					
Less: Borrowings	-					
Total Equity Value	2,34,42,20,218.90					
Terminal Value	9,11,98,90,205.86					
Less: DLOM	57,32,05,521.24	5%				
Adjusted Equity Value	10,89,09,04,903.53	1,089.09				
No. of Shares	65,86,680.00					
Value per Share	1,653.47					
Value per Share Round Off	1,653.00					

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2. Calculation of Valuer per share of FHILL using Asset Approach (Adjusted NAV Method)

Net Asset Value as on 31.07.2022		
Particulars	**Amount (In INR)**	**Amount (In INR)**
Non Current Assets		**852101.84**
Tangible Assets	596965.47	
Deferred Tax Assets	255136.37	
Other Non Current Assets	0.00	
Current Assets		**247809379.08**
Inventories	36515680.00	
Trade Receivable	168098704.16	
Cash & Bank Balance	2760459.13	
Short Term Loan and Advances	16271654.49	
Other Current Assets	24162881.30	
Total Book Value of Assets		**248661480.92**
		0.00
Less : Deferred Tax		**255136.37**
Adjusted Book Value of Assets (A)		**248406344.55**
Share Holder's Fund		**66944035.71**
Share Capital	65866800.00	
Reserves & Surplus	1077235.71	
Revaluation Reserve	0.00	
Non Current Liabilities		**222925.16**
Long Term Borrowings	222925.16	
Other Non Current Liabilities	0.00	
Deferred Tax Liability	0.00	
Current Liabilities		**181494520.35**
Short Term Borrowing	0.00	
Trade Payable	77021575.16	
Other Current Liabilities	103732913.66	
Short Term Provisions	740031.53	
Total Book Value of Liabilities		**248661481.22**
Less: Paid Up Capital in respect of Equity Shares		**65866800.00**
Less : Reserves & Surplus		**1077235.71**
Less : Uncertain Provisions		**0.00**
Adjusted Book Value of liabilities (B)		**181717445.51**
Net Asset Value (A-B)		**66688899.04**
Number of Equity Shares Outstanding		**6586680.00**
Equity Value Per Share (In Rs)		**10.12**
Equity Value Per Share (ROUND OFF)		**10.00**

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Hardwyn
Since 1965
Perfection Redefined

HARDWYN INDIA LIMITED
B-101, Mayapuri Indl. Area, Phase-1
New Delhi-110064
Tel.: 011-28115352, 28114972, 28114643

To
The Manager,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

To,
The Manager- Listing,
National Stock Exchange of India Limited
Exchange Plaza , BandraKurla Complex,
Bandra East, Mumbai-400051

Subject: Undertaking with regard to Valuation

I, Sandeep Singh Solanki, Company Secretary and Compliance Officer of Hardwyn India Limited **(hereinafter called "the Company")** incorporated on 12/10/2017 under the Companies Act, 2013 having its Registered Office at B-101, Phase-1, Mayapuri, New Delhi 110064, do hereby confirm and declare:

a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

b) Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme- **Not Applicable**

For & on the behalf of
Hardwyn India Limited

For Hardwyn India Limited
Sandeep Singh
Authorised Signatory

Sandeep Singh Solanki
Company Secretary
PAN: HUZPS8078C

Date: 21/10/2022
Place : New Delhi