



Date: 29.06.2023

The Board of Directors
Hardwyn India Limited
B-101, Phase-1, Mayapuri, NA New Delhi
South West Delhi DL - 110064

The Board of Directors
FIBA Hardwyn Locks Limited
C-147 Mayapuri Indl Area
Phase - II, New Delhi - 110064 IN

Sub: Fairness opinion on the fair share entitlement ratios for the proposed composite scheme of arrangement between Hardwyn India Limited ("HIL") and Fiba Hardwyn Locks Limited ("FHLL") and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013

We refer to the engagement letter dated June 21, 2023 with Fast Track Finsec Private Limited, a Category - I Merchant Banker registered with SEBI, having registration number INM000012500 Hardwyn India Limited ("you" or "Client/Company" or "HIL") have requested us to provide a fairness opinion on the fair share entitlement ratios recommended by Mr. Sangita Kumari Gupta ("Registered Valuer IBBI/RV/06/2020/13238") in her fair share entitlement ratios report dated June 29, 2023 ("Share Entitlement Report") in relation to the composite scheme of arrangement between Hardwyn India Limited ("HIL" or "Amalgamated Company" or "Transferee Company") and FIBA Hardwyn Locks Limited ("FHLL" or "Amalgamating Company" or "Transferor Company"), on a going concern basis.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme. Scheme is presented under Chapter XV of the 2013 Act for amalgamation of the Companies. Scheme seeks to Amalgamation of FIBA Hardwyn Locks Limited into the Hardwyn India Limited. The respective Board of Directors of the Companies have resolved that the scheme would be in the best interests of the shareholders, creditors, employees and other stakeholders,

The Amalgamating Company and the Amalgamated Company are collectively referred to as the "Companies".

BACKGROUND OF THE COMPANIES

➤ FIBA HARDWYN LOCKS LIMITED - AMALGAMATING COMPANY

FIBA HARDWYN LOCKS LIMITED (CIN: U28933DL2005PLC139819) is a Public Limited Company incorporated on 22nd Day of August, 2005 under the name of "FIBA HARDWYN LOCKS LIMITED", in the State of Delhi under the Companies Act, 1956. (*hereinafter referred to*



as the "Amalgamating/ Transferor Company"). The registered office of the Transferor Company is situated at C-147, Mayapuri, Industrial Area, Phase-II, New Delhi – 110064.

FIBA Hardwyn Locks Limited is engaged in the business of:

- 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 Amalgamating Company as on March 31st, 2023

Share Capital	Amount (In Rs.)
Authorised Capital	
68,00,000 Equity Shares of Rs. 10/- each	6,80,00,000
Total	
Issued, Subscribed and Paid-up Share Capital	
65,86,680 Equity Shares of Rs. 10/- each	6,58,66,800

➤ HARDWYN INDIA LIMITED (AMALGAMATED COMPANY)

HARDWYN INDIA LIMITED (CIN: L4990DL2017PLC324826) is a Public Limited Company incorporated on 12th Day of October, 2017 under the name "Garv Industries Limited" in the State of Delhi under the Companies Act, 2013. The name of the Transferee Company was subsequently changed to "Hardwyn India Limited" on 07th Day of January, 2020 (hereinafter referred to as the "Amalgamated/ Transferee Company"). The registered office of the Transferee Company is situated at B-101, Phase- I, Mayapuri, New Delhi- 110064.

Hardwyn India Limited is engaged in the business of:

- 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.

Capital Structure of the Amalgamated Company as on March 31st, 2023

Share Capital	Amount (In Rs.)
Authorised Capital	
2,76,00,000 Equity Shares of Rs. 10/- each	27,60,00,000
Total	
Issued, Subscribed and Paid-up Share Capital	
2,61,66,357 Equity Shares of Rs. 10/- each	26,16,63,570

Shares of the Amalgamated Company are listed on the BSE and NSE Stock Exchange.

SOURCE OF INFORMATION

For the said examination and for arriving at the Fairness Opinion set forth below, we have considered the following documents representations and explanations provided to us by the management of the Company.

- Final Report from the Independent Registered Valuer.
- Draft Composite Scheme of Arrangement under Section 230-232 and other applicable provisions of the Companies Act 2013.
- Audited financial statements for the FY 2022-23 of Hardywn India Limited
- Audited financial statements for the FY 2022-23 of FIBA Hardwyn Locks Limited
- Capital structure of Hardwyn India Limited as on March 31, 2023
- Capital Structure of FIBA Hardwyn Locks Limited as on March 31, 2023.
- MoA & AoA of the Companies
- Background information provided through emails or during discussion.
- Information provided by leading database sources, market research reports and other published data (including NSE, BSE, etc) and publicly available sources from internet believed to be reliable and true.

We had detailed discussions, further explanations, and information reasonably important for our exercise from the management. We have tried to review the various qualitative and quantitative factors considered during evolution of the Draft Scheme and the share entitlement ratios.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.



KEY FEATURES OF THE SCHEME

Clause 4 of Scheme explain the Object of the Scheme are as under:

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, the entire business, assets and properties of the Transferor Company, shall, under the provisions of Section 230 to 232 of the Companies Act, 2013 and Rules made thereunder and Section 2(1B) of the Income Tax Act, 1961, and without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested into, as a going concern, into the Transferee Company, so as to vest in the Transferee Company all the rights, title and interest pertaining to the business of the Transferor Company.
- (b) With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- (c) With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

The Appointed Date under the Scheme is means closing hours of 01st Day of April 2023 or such other date as may be mutually agreed in writing between the companies and fixed by the Board of the Companies;

The Effective Date under the Scheme, means the later of the dates on which the certified true copy of the Order(s) of the NCLT sanctioning the Scheme of Amalgamation is filed by the Transferor Company and the Transferee Company with concerned Registrar of Companies;

The Scheme is divided into 4 Parts:

a. **PART I** deals with Definitions and interpretations used in the Scheme;

b. **PART II** deals with the capital structure of Fiba Hardwyn Locks Limited ('FHLL') and Hardwyn India Limited ('HIL');



- c. **PART III** deals with amalgamation of Fiba Hardwyn Locks Limited ('FHLL') with Hardwyn India Limited ('HIL'); and
- d. **PART IV** deals with the general terms and conditions applicable to the Scheme.

4.2 RATIONALE OF THE SCHEME

1. The amalgamation of the Transferor Companies into the Transferee Company would inter alia have the following benefits:
 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, 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. In view of focused management time and operation attention and to manage the business more effectively.
 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.
 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 there by 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.
 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.



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 their respective shareholders and other stakeholders.
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.
8. 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.
9. 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.

Dissolution of the Transferor Company

On the Scheme becoming effective, the Transferor Company shall, without any requirement of any further act or deed, stand dissolved without being wound up in accordance with the Act and name of the Transferor Company shall be struck off from the records of the Registrar of Companies.

VALUATION ANALYSIS

We have conducted a thorough valuation analysis to determine the fairness of the swap ratio for the entitlement of shares in the amalgamation of HIL and FHLL. The swap ratio is the ratio at which shares of HIL and FHLL will be exchanged in the amalgamation.

FAIRNESS OPINION

The purpose of the opinion is to safeguard the interest of the shareholders of FIBA Hardwyn Locks Limited and this opinion shall be made available to the Boards of Directors and shareholders of the Companies at the time of their respective meetings to pass the necessary resolutions for the approving and adopting the proposed



Scheme and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or governmental authorities, in connection with the proposed scheme.

This opinion is restricted to meet the above-mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations, and statutes.

Based on consideration of all relevant factors and circumstances and the fact that the proposed Amalgamation is economically neutral to the shareholders of Transferee Company. We believe that the share exchange ratios and share entitlement ratios as recommended by the independent Registered Valuer, as stated above in our opinion are fair to the shareholders of Transferee Company.

We have reviewed the methodologies and important factors considered by the Valuer for the purpose of providing his recommendation on the Share Exchange Ratio for the purpose of proposed Amalgamations. Based on the foregoing and based on the information and explanation provided to us, in our opinion, the Scheme and Share entitlement ratios are fair and reasonable.

EXCLUSIONS LIMITATIONS

- Our fairness opinion is based on the information furnished to us being complete and accurate in all material aspects. We have relied upon the information, explanation and representations provided to us by the management of the company without carrying out any audit, due diligence or other tests to verify their accuracy with limited independent appraisal.
- The procedures performed were limited in nature and as such this report may not necessarily disclose all significant matters or reveal errors or irregularities, if any in the underlying information. Furthermore, such procedures do not constitute an audit, examination, or review in accordance with generally accepted auditing standards and therefore we do not express an opinion or any other form of assurance on the information presented in our report. We also do not make any representation regarding the sufficiency of procedures performed.
- During the engagement, we were provided with both written and verbal information, including market, financial and operating data as detailed in the section – Source of information.
- The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our fairness opinion.
- The opinion is intended only for the sole use and information the FIBA Hardwyn Locks Limited and Hardwyn India Limited and in connection with the scheme, including for the purpose of obtaining judicial and regulatory



approval for the Scheme. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this Opinion.

- We have assumed that the merger & amalgamation will be consummated on the terms set forth in the Scheme Document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion.
- Our fairness opinion is not intended to and does not constitute any recommendation to any shareholder of the company as to how such shareholder should vote or act in connection with the scheme or any matter related therein.
- Our fairness opinion is not, nor should it be construed as our opinion on/ or certification of compliance of the scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or losses arising therein.
- We do not express any opinion on the fair value of the equity shares of the company, and/ or the price at which the equity shares of the company may trade at any time, including subsequent to the date of this fairness opinion.
- This fairness opinion has been issued for the sole purpose to facilitate the company's compliance with regulation 59A read with and in compliance with circular no. SEBI/HO/DDHS/DDHS Div1 /P/CIR/2022/0000000103 dated July 29, 2022 (updated as on December 1, 2022) or any statutory modification or re-enactment thereof from time to time.
- We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable unless otherwise stated.
- This opinion has been issued for use by the company only and does not owe any responsibility to any third party.
- The fee for the engagement is not contingent upon the results reported.



CONCLUSION

Based on the information and data made available to us including the Valuation Report and the proposed Scheme of Amalgamation and subject to disclaimers as mentioned in this report, we are of the opinion that, the Share exchange ratio, as suggested by Ms. Sangita Kumari Gupta Registered Valuer, is fair and reasonable.

Respectfully Submitted,

For & on behalf of
Fast Track Finsec Pvt Ltd.



SAKSHI
Director
DIN: 09763912