

**Assessment of Fair Value
of Equity Shares Of Hardwyn India
Limited**

Fair Valuation Report of Equity share of Hardwyn India Limited.

This exercise of valuation of Equity shares of Hardwyn India Limited has been carried out in accordance with the mandate given to IBBI Registered Valuer by the management of Hardwyn India Limited. The sole purpose of the exercise is to arrive at a Fair Value of the Equity shares of Hardwyn India Limited. The valuation report is required, under the provision of Section 42 read with section 62(1)(c) the Companies Act 2013, for purpose of issuance of shares on preferential basis for consideration other than cash.

This valuation of the Hardwyn India Limited is solely based on the Market approach, and it should be clearly understood that IBBI Registered Valuer has not carried out any due diligence whatsoever on Hardwyn India Limited. It is assumed that the information available regarding the stock price on NSE and data provided by the management of Hardwyn India Limited are accurate and reliable, and fairly represent the financial position and prospects of the Company as of the Valuation Date. The validity and accuracy of this recommendation report depend upon the reliability and accuracy of basic data of Hardwyn India Limited provided by the management, which has been relied on without being subjected to audit or tests of verification by IBBI Registered Valuer.

It is pertinent to note that valuation, being a highly subjective exercise dependent on assumptions, is a matter of individual perception, and hence may vary from valuer to valuer. This concept is also recognized in judicial decisions.

On the basis of the Information and Financials of Hardwyn India Limited, at Projected level, as provided to us, the Fair value per Equity share of Hardwyn India Limited, as on 20th January 2023 is Valued at **INR 320.4129 Per Share.**

IBBI Registered Valuer



Lopa Verma

IBBI Registration No.:

IBBI/RV/03/2022/14896

Date : 20th January 2023

Place: Delhi

Scope Limitation

This valuation is subject to the following assumptions and limiting conditions:

- All reported facts, comments, estimates, opinions and statistical information set forth in this report have been obtained from sources believed to be accurate, reliable and knowledgeable. No liability is assumed for the content or accuracy of the data furnished by others, including information and representations provided by management.
- We have made no attempt to verify the accuracy, veracity, conformity and topical nature of the data gathered from such sources.
- We are not required to give testimony in court or be in attendance during any hearings or depositions, with reference to the Company being valued, unless previous arrangements have been made. However, if there are any comments from RBI, we will address it.
- All financial statements and other data pertaining to the Company have been provided by management and accepted by us without verification, including conformity or non-conformity with generally accepted accounting principles and/or other guidelines established by recognized regulatory and other governing bodies.
- The historical financial information and any adjustments thereto and any forecasts and projections presented in this report, including attached Exhibits, are included solely to assist in the development of the value estimate presented in this report.
- We do not provide assurance on the achievability of the results forecasted by the Company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
- The conclusions of value are based on the assumption that the current level of management expertise and effectiveness would continue to be maintained and that the character and the integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
- Because of the limited purpose of this presentation, the information may be incomplete and contain departures from generally accepted accounting principles and/or other guidelines established by recognized regulatory and other governing bodies.
- We express no opinion or other assurances on the information presented and it should not be used for any other purpose other than to assist in this valuation.
- The contents of this valuation are an opinion of value for the purposes stated. In no way should this be construed as a recommendation to buy or sell the underlying company.

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Introduction

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

Hardwyn India Ltd. 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.

Hardwyn India Ltd. acts 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, description applications, modalities, fashions, including by-product, spares or accessories thereof on retail as well as on wholesale.

Products

1. Glass Fittings
2. Door Closers
3. Locks
4. Architectural Hardware

Management Team

Name	Designation
Swaran Jeet Singh Sayal	Director
Rubaljeet Singh Sayal	CFO & MD
Tanya Sayal	Director
Manjeet Singh	Director
Sikha Chawla	Director
Kulmeet Singh	Director

Indian Economic Overview

- Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.
- India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.
- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22.
- With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from nonfossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million nonfarm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.
- India's gross domestic product (GDP) at current prices in the first quarter of 2022-23 is estimated to be Rs. Rs. 36.85 lakh crore (US\$ 447.44 billion), as against Rs. 32.46 lakh crore (US\$ 394.13 billion) in 2021-22, showing a growth rate of 13.5%.

Industry Overview: Hardware Goods Manufacturing

- The Indian hardware goods manufacturing industry is a diverse sector that produces a wide range of products, including building and construction materials, hand tools, power tools, and other hardware products.
- The industry is an important contributor to the country's economy, providing employment opportunities and driving economic growth. The industry is primarily driven by the growth of the construction and real estate sectors, as well as the increasing demand for infrastructure development.
- The industry has also benefited from government initiatives, such as the Pradhan Mantri Awas Yojana and the Housing for All by 2022 scheme, which aim to provide affordable housing to the country's population. The industry is highly fragmented, with a large number of small and medium-sized enterprises (SMEs) operating in the market.
- The industry is also facing intense competition from imported products, particularly from China. In recent years, the industry has seen significant growth, driven by the rising demand for construction and infrastructure development.
- However, the industry is facing some challenges, such as lack of technology, limited access to funding and skilled labor, and lack of quality standards, which can hamper the growth of the industry. Overall, the Indian hardware goods manufacturing industry is expected to continue to grow in the coming years, driven by the increasing demand for construction and infrastructure development and the government's efforts to promote affordable housing.
- However, the industry will need to address the challenges posed by competition from imports and the need to improve efficiency and productivity in order to stay competitive.

Valuation Approach

Market Approach – As Hardwyn India Limited is a Listed Company that got listed at BSE on 25th April 2018 and on 12th April 2022 at NSE and stocks of the company are being traded at a fairly good volume, We have decided to value the company based on the Volume Weighted Average Price Per Share (VWAP) method of past 90 & 10 days, data of both NSE and BSE is considered while calculating the VWAP for the company, and which so ever stock exchange will be having the highest trading volume for the said period has to be considered for determining the price in accordance to SEBI (Icdr) Regulations 163 & 166A, 2018.

The reason for choosing the Market approach over Asset Approach and Income Approach is that if the shares of the company are already being traded in the market at a certain price, the price is driven by “*Supply and Demand*” and the accurate data related to the trading of shares on NSE and BSE is available on the website of NSE and BSE respectively.

As there is a famous saying of “*Price is what you pay and value is what you get*”, in the end, price is determined by what the end consumer is willing to pay, and in the case of a listed company the data of price is easily available and accessible, and by calculating WAPP we can arrive at a price which an Investor is willing to pay per share for Hardwyn India Limited, which according to me represents the fair value per share of Hardwyn India Limited.

Rather than running DCF on assumptions that might be biased and not accurate, and calculating Net Asset Value which doesn't reflect the real value of the assets and completely ignores their potential of generating cash flows.

According to these considerations in OUR opinion the Market Approach (WAPP) is the best way to calculate the fair value per share of Hardwyn India Limited.

Volume Weighted Average Price Per Share (VWAP) 90 Days NSE (1)

S.no	Date	VOLUME	TURNOVER	VWAP
1	20-Jan-23	3780	11,97,883.50	
2	19-Jan-23	10387	33,17,341.60	
3	18-Jan-23	4421	14,34,144.75	
4	17-Jan-23	5087	16,24,568.75	
5	16-Jan-23	2152	6,91,826.70	
6	13-Jan-23	4294	13,77,671.30	
7	12-Jan-23	6783	21,73,774.35	
8	11-Jan-23	2148	6,91,649.10	
9	10-Jan-23	3191	10,24,695.85	
10	09-Jan-23	5217	16,73,239.95	
11	06-Jan-23	3327	10,65,600.15	
12	05-Jan-23	8364	27,16,125.90	
13	04-Jan-23	4038	13,50,269.20	
14	03-Jan-23	5770	19,63,519.80	
15	02-Jan-23	9227	31,72,515.65	
16	30-Dec-22	26535	90,86,723.65	
17	29-Dec-22	37804	1,23,19,640.85	
18	28-Dec-22	39221	1,21,94,072.90	
19	27-Dec-22	6791	19,47,853.60	
20	26-Dec-22	6795	18,96,359.45	
21	23-Dec-22	9054	25,51,226.70	
22	22-Dec-22	14967	43,56,391.60	
23	21-Dec-22	8085	25,15,704.70	
24	20-Dec-22	8584	26,77,796.75	
25	19-Dec-22	7622	23,54,474.70	
26	16-Dec-22	4697	14,60,670.65	
27	15-Dec-22	4524	14,16,474.00	
28	14-Dec-22	39201	1,21,64,116.45	
29	13-Dec-22	9176	29,02,702.75	
30	12-Dec-22	8183	26,44,254.50	

Volume Weighted Average Price Per Share (VWAP) 90 Days NSE (2)

S.no	Date	VOLUME	TURNOVER	VWAP
31	09-Dec-22	6348	20,32,617.20	
32	08-Dec-22	5924	19,46,054.65	
33	07-Dec-22	5073	16,49,044.65	
34	06-Dec-22	3963	12,80,965.85	
35	05-Dec-22	7821	25,36,405.85	
36	02-Dec-22	5667	18,93,056.30	
37	01-Dec-22	25271	85,08,729.15	
38	30-Nov-22	7268	23,80,594.95	
39	29-Nov-22	6110	20,20,093.15	
40	28-Nov-22	27022	90,91,570.30	
41	25-Nov-22	10161	33,38,354.25	
42	24-Nov-22	23351	76,15,247.75	
43	23-Nov-22	10554	33,70,419.20	
44	22-Nov-22	19926	63,21,985.20	
45	21-Nov-22	10174	33,21,878.10	
46	18-Nov-22	23086	78,00,431.50	
47	17-Nov-22	19254	65,48,886.95	
48	16-Nov-22	34797	1,14,11,685.20	
49	15-Nov-22	67993	2,25,76,192.60	
50	14-Nov-22	14104	46,13,318.95	
51	11-Nov-22	20891	68,99,361.20	
52	10-Nov-22	43845	1,42,13,735.70	
53	09-Nov-22	137371	4,28,05,683.45	
54	07-Nov-22	28023	84,47,146.30	
55	04-Nov-22	36027	1,06,10,417.75	
56	03-Nov-22	19539	55,94,886.30	
57	02-Nov-22	14484	41,27,598.35	
58	01-Nov-22	44202	1,23,94,429.25	
59	31-Oct-22	15679	45,31,782.05	
60	28-Oct-22	60989	1,72,82,401.55	

Volume Weighted Average Price Per Share (VWAP) 90 Days NSE (3)

S.no	Date	VOLUME	TURNOVER	VWAP
61	27-Oct-22	18594	50,93,208.00	
62	25-Oct-22	1975	5,30,719.60	
63	24-Oct-22	8520	23,01,544.45	
64	21-Oct-22	225399	5,92,11,117.20	
65	20-Oct-22	7854	19,42,720.60	
66	19-Oct-22	3035	7,60,097.05	
67	18-Oct-22	10008	24,34,349.80	
68	17-Oct-22	2562	6,26,391.40	
69	14-Oct-22	4440	11,12,505.10	
70	13-Oct-22	4486	11,36,747.35	
71	12-Oct-22	2710	7,03,295.90	
72	11-Oct-22	104560	2,82,03,953.50	
73	10-Oct-22	6261	16,51,423.95	
74	07-Oct-22	5476	14,59,705.95	
75	06-Oct-22	7346	19,95,152.95	
76	04-Oct-22	13284	35,92,036.55	
77	03-Oct-22	13259	36,03,637.10	
78	30-Sep-22	12874	34,26,091.90	
79	29-Sep-22	12227	32,99,745.70	
80	28-Sep-22	11762	29,79,076.75	
81	27-Sep-22	6006	14,98,576.30	
82	26-Sep-22	9509	24,72,462.15	
83	23-Sep-22	6557	18,05,304.50	
84	22-Sep-22	3868	10,82,991.45	
85	21-Sep-22	7539	21,28,767.15	
86	20-Sep-22	16064	45,54,199.25	
87	19-Sep-22	17875	50,17,274.60	
88	16-Sep-22	40533	1,10,46,221.80	
89	15-Sep-22	7378	19,57,875.60	
90	14-Sep-22	13182	33,77,513.45	
	Total	1669485	49,61,32,970.50	297.1773
VWAP OF 90 DAYS AT NSE IS 297.1773				

Volume Weighted Average Price Per Share (VWAP) 10 Days NSE

Sr. No.	Date	VOLUME	TURNOVER	VWAP
1	20-Jan-23	3,780.00	11,97,883.50	
2	19-Jan-23	10,387.00	33,17,341.60	
3	18-Jan-23	4,421.00	14,34,144.80	
4	17-Jan-23	5,087.00	16,24,568.80	
5	16-Jan-23	2,152.00	6,91,826.70	
6	13-Jan-23	4,294.00	13,77,671.30	
7	12-Jan-23	6,783.00	21,73,774.40	
8	11-Jan-23	2,148.00	6,91,649.10	
9	10-Jan-23	3,191.00	10,24,695.90	
10	09-Jan-23	5,217.00	16,73,240.00	
	Total	47,460.00	1,52,06,795.90	320.4129

VWAP OF 10 DAYS TRADING AT NSE IS 320.4129

Volume Weighted Average Price Per Share (VWAP) 90 Days BSE (1)

Sr. No.	Date	Turnover	Volume	VWAP
1	20-Jan-23	1,52,854	488	
2	19-Jan-23	10,95,730	3,454	
3	18-Jan-23	3,52,956	1,091	
4	17-Jan-23	1,38,326	435	
5	16-Jan-23	65,030	202	
6	13-Jan-23	4,12,350	1,288	
7	12-Jan-23	1,24,670	390	
8	11-Jan-23	71,366	222	
9	10-Jan-23	2,93,368	916	
10	9-Jan-23	1,93,775	603	
11	6-Jan-23	7,18,341	2,243	
12	5-Jan-23	2,41,271	742	
13	4-Jan-23	4,57,706	1,375	
14	3-Jan-23	5,33,175	1,542	
15	2-Jan-23	3,11,249	909	
16	30-Dec-22	6,26,241	1,836	
17	29-Dec-22	12,49,470	3,853	
18	28-Dec-22	15,49,385	4,972	
19	27-Dec-22	3,75,030	1,307	
20	26-Dec-22	6,38,484	2,282	
21	23-Dec-22	2,68,526	945	
22	22-Dec-22	16,46,036	5,678	
23	21-Dec-22	2,15,384	695	
24	20-Dec-22	5,44,483	1,760	
25	19-Dec-22	5,84,047	1,904	
26	16-Dec-22	4,05,270	1,303	
27	15-Dec-22	6,09,902	1,940	
28	14-Dec-22	11,63,677	3,759	
29	13-Dec-22	2,53,513	797	
30	12-Dec-22	2,11,965	652	

Volume Weighted Average Price Per Share (VWAP) 90 Days BSE (2)

Sr. No.	Date	Turnover	Volume	VWAP
31	9-Dec-22	1,95,123	607	
32	8-Dec-22	2,23,770	677	
33	7-Dec-22	4,20,863	1,292	
34	6-Dec-22	8,20,030	2,547	
35	5-Dec-22	9,02,345	2,753	
36	2-Dec-22	7,05,385	2,104	
37	1-Dec-22	13,17,137	3,903	
38	30-Nov-22	13,19,559	4,023	
39	29-Nov-22	86,361	261	
40	28-Nov-22	2,93,211	875	
41	25-Nov-22	5,82,483	1,774	
42	24-Nov-22	4,64,733	1,441	
43	23-Nov-22	1,08,152	340	
44	22-Nov-22	9,87,528	3,158	
45	21-Nov-22	3,79,274	1,150	
46	18-Nov-22	18,71,326	5,477	
47	17-Nov-22	1,93,852	570	
48	16-Nov-22	31,00,144	9,539	
49	15-Nov-22	43,81,457	13,346	
50	14-Nov-22	7,60,629	2,319	
51	11-Nov-22	12,95,881	3,921	
52	10-Nov-22	35,44,454	10,947	
53	9-Nov-22	47,13,888	15,204	
54	7-Nov-22	6,44,978	2,122	
55	4-Nov-22	19,39,165	6,569	
56	3-Nov-22	11,34,242	3,986	
57	2-Nov-22	7,69,179	2,698	
58	1-Nov-22	5,64,325	2,044	
59	31-Oct-22	6,80,306	2,386	
60	28-Oct-22	14,25,277	5,042	

Volume Weighted Average Price Per Share (VWAP) 90 Days BSE (3)

Sr. No.	Date	Turnover	Volume	VWAP
61	27-Oct-22	11,61,330	4,366	
62	25-Oct-22	1,16,748	432	
63	24-Oct-22	3,18,946	1,204	
64	21-Oct-22	50,902	199	
65	20-Oct-22	3,54,203	1,461	
66	19-Oct-22	2,49,463	999	
67	18-Oct-22	4,02,558	1,676	
68	17-Oct-22	2,56,915	1,050	
69	14-Oct-22	2,53,758	1,015	
70	13-Oct-22	4,57,136	1,824	
71	12-Oct-22	3,68,640	1,414	
72	11-Oct-22	2,73,045	1,035	
73	10-Oct-22	1,15,240	433	
74	7-Oct-22	1,65,129	615	
75	6-Oct-22	3,42,493	1,258	
76	4-Oct-22	9,49,484	3,511	
77	3-Oct-22	2,05,148	756	
78	30-Sep-22	1,96,940	733	
79	29-Sep-22	6,61,725	2,460	
80	28-Sep-22	3,25,391	1,322	
81	27-Sep-22	9,62,333	3,866	
82	26-Sep-22	5,65,690	2,169	
83	23-Sep-22	3,08,560	1,115	
84	22-Sep-22	2,25,271	810	
85	21-Sep-22	10,60,131	3,756	
86	20-Sep-22	10,77,977	3,813	
87	19-Sep-22	26,26,057	9,345	
88	16-Sep-22	12,13,357	4,540	
89	15-Sep-22	5,62,184	2,123	
90	14-Sep-22	7,81,409	3,088	
	Total	6,79,36,800	2,25,046	301.8796

VWAP OF 90 DAYS AT BSE IS 301.8796

Volume Weighted Average Price Per Share (VWAP) 10 Days BSE

Sr. No.	Date	Turnover	Volume	VWAP
1	20-Jan-23	152854	488	
2	19-Jan-23	1095730	3454	
3	18-Jan-23	352956	1091	
4	17-Jan-23	138326	435	
5	16-Jan-23	65030	202	
6	13-Jan-23	412350	1288	
7	12-Jan-23	124670	390	
8	11-Jan-23	71366	222	
9	10-Jan-23	293368	916	
10	09-Jan-23	193775	603	
	Total	2900425	9089	319.1138

VWAP OF 10 DAYS AT BSE IS 319.1138

Conclusion of Fair Value

The range if value of the Company using different VWAP methods was determined, the Conclusion for Fair Value is arrived as follows.

VWAP	Outcome
90 Days NSE	297.1773
10 Days NSE	320.4129
90 Days BSE	301.8796
10 Days BSE	319.1138
Selected	320.4129

Fair Value Per Share of Hardwyn India Limited is 320.4129 according to SEBI (Icdr) regulation number 163 & 166A.

In the ultimate analysis, valuation will have to be finalized/arrived at by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield or securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share.

It would be in the light of the aforesaid, and after taking into consideration the principles of valuation as propounded by various authorities, one would have to consider the business value of the company. The valuation cannot proceed solely on the basis of what is known as historical profits or profits of past years. The present valuation exercise would have to proceed on a going concern basis and hence has to lay emphasis on earning capacity i.e. what the company/business division is capable of earning in the future with asset value being of limited relevance and being relegated to the background.

We have given 100% weightage to Market (VWAP) for the valuation of Hardwyn India Limited.

Sources Of Information

During the course of our analysis, we were supplied with written & verbal information which we have relied upon. The set of information/document etc, which has been furnished to us, are as under:

- *Company website*
- *Annual reports, information as provided by the company.*
- *Google Finance, other online research and content*
- *NSE.com*
- *BSE.com*
- *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.*



End Of the Report