Annexure 5 - Fairness Opinion by SEBI Registered Merchant Banker

SRUJAN ALPHA
CAPITAL ADVISORS
Adding Alpha to Value

June 29, 2022

To
The Board of Directors
HG Industries Limited
Panchalam Village, Melpettai Post,
Tindivanam, Tamil Nadu 604 307

Sub.: Fairness Opinion Report

Ref.: Scheme of Arrangement of HG Industries Limited ("HGIL" or the "Company") with Greenlam Industries Limited ("GIL") and their respective shareholders and all concerned, towards amalgamation of the Company into and with the GIL ("Scheme")

Dear Sir,

We understand that the Board of Directors (the "**Board**") of HG Industries Limited ("**HGIL**" or the "**Company**") is considering the Scheme of Arrangement of HGIL with Greenlam Industries Limited ("**GIL**") through a scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme of Arrangement**").

Be advised that while certain provisions of the Scheme of Arrangement are summarised below, the terms of the Scheme of Arrangement will be more fully described in the scheme document to be published in relation to the Scheme of Arrangement (the "**Scheme Document**"), As a result, the description of the Scheme of Arrangement and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.

Pursuant to the Scheme of Arrangement, GIL will issue and allot to all the shareholders of HGIL, 1 (One) fully paid up equity shares of par value INR 1/- each of GIL for every 2 (Two) fully paid up equity shares of par value INR 5 each of HGIL held by such shareholder ("**Share Exchange Ratio**").

The Share Exchange Ratio are based on the valuation report dated June 29, 2022 prepared by **Incwert Advisory Private Limited** [Registered Valuer Entity under Companies (Registered Valuers and Valuation) Rules, 2017; IBBI Registration No. IBBI/RV-E/05/2019/108], (the "Valuer"), being independent professional valuer appointed by the Board of HGIL for recommending the Share Exchange Ratios for the Scheme of Arrangement (the "Valuation Report").

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The Board has appointed ***M/s. Srujan Alpha Capital Advisors LLP ('SACA' or 'We'),*** in the capacity as a ***Category I Merchant Banker registered with Securities and Exchange Board of India (Registration Code INM000012829),*** pursuant to an Engagement Letter dated June 13, 2022 ("Engagement Letter") to issue a fairness opinion to HGIL in relation to the Share Exchange Ratio proposed by it based on the recommendations set out in the Valuation Report.

This opinion is subject to the scope, assumptions limitations and disclaimers detailed herein.

Scope of our review

In arriving at the opinion set out below, we have, among other things:

1. reviewed the Valuation Report and discussed the Valuation Report with the Valuer's;
2. reviewed the draft Scheme Document;
3. reviewed certain publicly available business and financial information on HGIL and GIL;
4. reviewed the annual reports of HGIL and GIL for the financial year ending 31 March 2022;
5. reviewed the reported share price of HGIL and GIL;
6. compared selected valuation multiples of HGIL and GIL with those of certain publicly traded companies that we deemed to be relevant;
7. reviewed certain analysts estimates for HGIL and GIL;
8. used certain valuation methods commonly used for these types of it analyses and taken into account such other matters as we deemed appropriate including out assessment of current conditions and prospects for the industry and general economic and market conditions.

Assumptions and limitations

In giving our opinion:

1. we have relied on the assessment of HGIL's management on the commercial merits of the Scheme of Arrangement, including that the Scheme of Arrangement in the best interests of HGIL and its shareholders a whole;

2. we have relied without independent verification; upon the accuracy and completeness of all of the information (including, without limitation, the valuation Report) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;

3. we have not been provided with any financial forecasts; business plans or other internal financial analysis relating to HGIL and GIL;

4. we have had limited access to the management of HGIL and have had no access to the management of GIL, We have therefore not discussed with management the past and current business operations or the financial condition of HGIL or GIL;

5. while we have used various assumptions judgements estimates in out inquiry; which we consider reasonable and appropriate under the circumstances, no assurances can.be given as to the accuracy of any such assumptions judgements and estimates;

6. we have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the Scheme of Arrangement will be obtained in a timely manner without any adverse effect on HGIL;

7. we have not made any independent evaluation or appraisal of the assets and liabilities of HGIL or GIL and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of HGIL or GIL under any laws relating to the bankruptcy, insolvency or similar matters;

8. we have made no adjustment to the share price of HGIL or GIL for the purposes of our analysis;

9. we have not conducted any independent legal, tax, accounting or other analysis of HGIL or of the Scheme of Arrangement and when appropriate we have relied solely upon the judgements of the HGIL's legal, tax, accountants and other professional advisers who may have given such advice to HGIL without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganisation or transaction costs that may arise as a result of the Scheme of Arrangement in our analysis. In addition, we have not performed any independent analysis of the situation of the Individual shareholders of HGIL, including with respect to taxation in relation to the Scheme of Arrangement and express no opinion thereon;

10. we have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which HGIL or GIL is or may be a party or is or may be subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which HGIL or GIL is or may be a party or is or may be subject to;

11. we have also assumed that there has been no material change in HGIL's assets and financial condition, results of operations, business or prospects 'since the date of the most recent financial statements published other than those disclosed in the Valuation Report;

12. wo have not conducted any physical inspection of the properties or facilities of HGIL or GIL;

13. we have assumed that the Scheme of Arrangement 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;

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14. we have assumed that the Share Exchange Ratio will not be subject to any adjustments and express no opinion regarding any adjustments to the Share Exchange Ratio after the date of this opinion;

15. we have assumed that the management of HGIL are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be, relevant to the delivery of this opinion.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date thereof, should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of either HGIL or GIL will trade at any time.

Our opinion, as set forth herein, is limited to the fairness from a financial point of view, of the Share Exchange Ratios based on the recommendations set out in the Valuation Report, no opinion is expressed whether any alternative transaction might be more beneficial to HGIL.

Relationship with SACA

Srujan Alpha Capital Advisors LLP was not requested to, and did not provide advice concerning the structure, the Share Exchange Ratio or any other aspects of the Scheme of Arrangement or to provide, services other than the delivery this Fairness Opinion, Srujan Alpha Capital Advisors LLP did not participate in negotiations with respect to the terms of the Scheme of Arrangement and any related transactions. Consequently, Srujan Alpha Capital Advisors LLP has assumed that such terms are the most beneficial terms from HGIL's perspective that could under the circumstances be negotiated with GIL.

We will receive a fee from HGIL for rendering this opinion in addition HGIL has agreed to indemnify us for claims arising out of our engagement for providing the opinion;

Other Limitation

This opinion is addressed to and provided solely for the benefit of Board of Directors of HGIL exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio. This letter shall not confer rights or remedies upon, and may not be used or relied on for any other purpose by, any holder of securities of HGIL, any creditor of HGIL or by any person other than the Board of Directors of HGIL.

Srujan Alpha Capital Advisors LLP is acting for the Board of Directors of HGIL and no one else in connection with the Scheme of Arrangement and will not be responsible to any person other than the Board of Directors of HGIL for providing this opinion. Subject to the terms of the Engagement Letter, this opinion shall not be relied upon by anyone other than the Board of Directors of HGIL without our prior written consent. Neither the existence of this opinion nor its contents may be copied in whole or in part, or discussed with any other parties, or published or made public or referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document including for the purpose of obtaining judicial and regulatory approvals for the proposed Scheme. Any disclosure so made by HGIL shall be made only after consultation with the Srujan Alpha Capital Advisors LLP, and Srujan Alpha Capital Advisors LLP have had a reasonable opportunity to review and comment on the final draft and Srujan Alpha Capital Advisors LLP's comments (if any) have been fully addressed. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This opinion shall be governed by the laws of India.

Specifically, this opinion does not address the commercial merits of the Scheme of Arrangement nor the underlying decision by HGIL to proceed with the Scheme of Arrangement nor does it constitute a recommendation to any shareholder or creditor of HGIL as to how such shareholder or creditor should vote with respect to the Scheme of Arrangement or any other matter.

The ultimate responsibility for the decision to recommend the Amalgamation rests solely with the Board of Directors of HGIL.

Conclusion / Opinion

Based upon, and subject to, the foregoing we are of the opinion that, as of the date hereof, the Share Exchange Ratio is fair, from a financial point of view, to the equity shareholders of HGIL.

Yours sincerely,

For **Srujan Alpha Capital Advisors LLP**

Jinesh Doshi
Authorised Signatory
SEBI Registration No. INM000012829

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