

**PRIVATE & CONFIDENTIAL**

**Date: March 26, 2025**

To  
**The Board of  
Directors,  
Manaksia Limited,  
Turner Morrison Building,  
6 Lyons Range, Mezzanine Floor,  
North West Corner,  
Kolkata – 700 001**

Dear Members of the Board,

**Sub.: Fairness Opinion on the Recommendation of the Fair Share Entitlement Ratio Report for the proposed demerger of the metal product business undertaking of Manaksia Limited into Manaksia Ferro Industries Limited.**

**1. Engagement Background:**

We understand that the Board of Directors of **Manaksia Limited ("Demerged Company" or "ML")** is considering a demerger of its metal product business undertaking ("**Demerged Undertaking**") into **Manaksia Ferro Industries Limited ("Resulting Company" or "MFIL")** on a going concern basis pursuant to a Scheme of Arrangement between Demerged Company, Resulting Company and their respective shareholders and creditors under sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("**the Scheme**"), and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as may be applicable and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the SEBI from time to time.

This opinion is issued pursuant to the terms of our engagement letter dated March 07, 2025 with ML under which ML has requested SKP Securities Limited ("**SKP**"), a SEBI Registered Category I Merchant Banker (Registration No. INM000012670) to provide fairness opinion on the share entitlement ratio for the proposed Scheme. ML and MFIL are hereinafter jointly referred to as Parties.

We understand that the Scheme *inter alia* provides for demerger of metal product business undertaking of ML, with and into MFIL and corresponding issuance of equity shares of Resulting Company to the shareholders of ML and reduction and cancellation of the entire existing share capital of Resulting Company ("**Proposed Demerger**").

We further understand that the Share Entitlement Ratio (*as defined below*) for the Proposed Demerger has been arrived at based on the Share Entitlement Report dated March 26, 2025 ("**Share Entitlement Report**") prepared by Mr. Pranab Kumar Chakrabarty, Registered Valuer, Valuer Registration No.- IBBI/RV/05/2019/10780 (the "**Valuer**"), who has been appointed for this exercise by ML.



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NSE & BSE : INZ000199335 | NSDL & CDSL : IN-DP-155-2015 | Research Analyst : INH300002902  
MB : INM000012670 | PMS : INP000006509 | AMFI : ARN 0006 | CIN : L74140WB1990PLC049032

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Based on our perusal of the Share Entitlement Report dated March 26, 2025 prepared by the Valuer, we understand that it has been proposed that pursuant to the demerger of Demerged Undertaking of ML into MFIL, for every 1 (*one*) fully paid up equity share of the face value of INR 2/- (*Indian Rupee Two*) each held by the shareholders of ML, MFIL shall issue and allot 1 (*one*) fully paid up equity shares of the face value of INR 1/- (*Indian Rupee One*) each of MFIL (hereinafter referred to as the "**Share Entitlement Ratio**").

In connection with the aforesaid and in terms of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 on Master Circular on Scheme of Arrangement by Listed Entities, you have requested our opinion ("**Opinion**"), as of the date hereof, as to the fairness of the Share Entitlement Ratio, as proposed by the Valuer, from a financial point of view to the shareholders of ML.

## 2. Basis of Opinion:

The rationale for the Scheme as shared with us by the Management of ML is based on the Parties and the respective shareholders, employees, creditors and other stakeholders benefiting from, inter alia, the following advantages:

The different / independent businesses of the Demerged Company have different industry specific risks, business cycles and operate, *inter alia*, under different market dynamics and thus can attract different types of investors as well as management teams for their respective businesses and follow different and independent strategies, even as they all have a significant potential for growth and profitability.

Given its diversified business portfolio, it has become imperative for the Demerged Company to re-orient and re-organize itself in a manner that allows it to impart greater focus, management alignment and growth for each of its independent business lines. The Demerged Company is also desirous of enhancing its operational efficiency, flexibility in attracting capital through a restructuring.

The Scheme, therefore, proposes to re-organise and segregate the interest of the Demerged Company primarily in the metal products business and thus proposes demerger of the metal products business to the Resulting Company. The Demerged Company will continue to conduct the Remaining Business.

The proposed restructuring pursuant to this Scheme is expected, *inter alia*, to result in following benefits:

- (i) segregation and unbundling of the metal products business into the Resulting Company;
- (ii) unlocking of value for the shareholders of the Demerged Company;
- (iii) emergence of the Demerged Company mainly as a predominantly focused company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth for the Remaining Business;
- (iv) creation of a listed company predominantly focused on metal products business with ability to achieve valuation based on metal industry related risk return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital as well as attracting right talent;
- (v) Achieve cost optimization and specialization for sustained growth;
- (vi) allowing the management of the Resulting Company to pursue independent growth strategies in regional, national and overseas markets;
- (vii) augmenting the infrastructural capability of the Resulting Company to effectively meet future challenges in their businesses;
- (viii) enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies.



Some key details related to each of the aforesaid companies is as under –

- **Brief background of Demerged Company:**

**Manaksia Limited (ML)** - is a Public Company incorporated on December 27, 1984 under the provisions of the Companies Act, 1956. Shares of Manaksia Limited are presently listed on the BSE Ltd. ("BSE") and National Stock Exchange of India Limited ("NSE"). The Corporate Identification Number (CIN) of ML is L74950WB1984PLC038336 and its registered office is presently situated at Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North West Corner, Kolkata - 700001.

ML is engaged, *inter alia*, either directly or through subsidiaries and/or step down subsidiaries in following businesses:

- packaging products business through overseas subsidiary;
- roofing sheets business through overseas subsidiary;
- paper business through overseas step down subsidiary;
- metal products business conducted directly and through domestic step down subsidiary; and
- Trading in machines, machine spare parts and other products.

The share capital of the Demerged Company as on March 31, 2024 is as follows:

Share Capital Structure as on December 31, 2024	Amount in INR
<b>Authorized Share Capital</b>	
7,00,00,000 Equity Shares of INR. 2/- each	14,00,00,000/-
12,50,000 Preference Shares of INR. 20/- each	2,50,00,000/-
<b>Issued, Subscribed and Paid-up Share Capital</b>	
6,55,34,050 Equity Shares of INR. 2/- each	13,10,68,100 /-

- **Brief background of Resulting Company:**

**Manaksia Ferro Industries Limited (MFIL)** is a Public Company incorporated on December 25, 2010. It is classified as non-govt company and is registered at Registrar of Companies, Kolkata. Manaksia Ferro Industries Limited's Corporate Identification Number is (CIN) U27100WB2010PLC144410 and its registration number is 144410. Its Email address is bda@manaksia.com and its registered address is Turner Morrison Building, 6 Lyons Range, Mezzanine Floor, North West Corner, Kolkata - 700001. MFIL has been incorporated with an objective to engage, *inter alia*, in business of ferro alloys and ferrous metals. The Resulting Company is a wholly owned subsidiary of the Demerged Company and has a subsidiary namely Mark Steels Limited which is engaged in the business of manufacture of sponge iron.

The share capital of the Resulting Company as on March 31, 2024\* is as follows:

Particulars	INR
<b>Authorised Share Capital</b>	
30,50,000 equity shares of INR 10 each*	3,05,00,000/-*
<b>Total</b>	3,05,00,000/-
<b>Issued, Subscribed and Paid-up Capital</b>	
30,50,000 equity shares of INR 10 each**	3,05,00,000/-
<b>Total</b>	3,05,00,000/-

\* Subsequent to the above date, with effect from March 10, 2025, there has been an increase in the authorised capital and sub-division of the face value as under:



30,50,000 equity shares of INR 10 each into 7,00,00,000 equity shares of INR 1 each.

\*\* Consequent to the above sub-division in the face value of equity shares from INR 10 to INR 1, the issued, subscribed and paid up capital of the Resulting Company is as under:

3,05,00,000 equity shares of INR 1 each aggregating INR 3,05,00,000.

Subject to the above, there has been no change in the issued, subscribed and paid-up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Demerged Company.

The Resulting Company is a wholly owned subsidiary of the Demerged Company. The equity shares of the Resulting Company are not listed on any stock exchanges in India or on any other stock exchange elsewhere.

### 3. Sources of Information:-

We have relied upon the following sources of information:

- i. Memorandum and Articles of Association of the Companies.
- ii. Audited financial statements of the ML for the financial years ('FY') ended March 31, 2024, March 31, 2023 and March 31, 2022.
- iii. Provisional Limited Reviewed Financials (Unaudited) of ML and Audited Financials of MFIL for the period ended December 31, 2024.
- iv. Carved out financials of Metal Product business of ML and Remaining Business of ML for the period ended December 31, 2024;
- v. Audited financial statements of the MFIL for the financial years ('FY') ended March 31, 2024, March 31, 2023 and March 31, 2022.
- vi. Shareholding pattern of ML as at December 31, 2024.
- vii. Draft of the proposed Scheme of Arrangement between the Companies.
- viii. Discussion (including oral) with management of the Companies regarding the proposed Scheme, current operations and future prospects.
- ix. Discussion (including oral) and documents as provided by the Valuer.
- x. Such other information, documents, data, reports, discussions and verbal & written explanations from the Companies, information available at public domain & websites as were considered relevant for the purpose of the Fairness Opinion.

### 4. Exclusions and Limitations:-

- i. We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the management of the Companies for the purpose of this opinion without carrying out any audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Companies.



- ii. We have solely relied upon the information provided to us by the management of the ML. We have not reviewed any books or records of Companies.
- iii. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and neither express any opinion with respect thereto nor accept any responsibility therefor.
- iv. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies. In particular we do not express any opinion as to the value of assets of the Companies, whether at current market prices or in future.
- v. We are not experts in the evaluation of litigation or other actual or threatened claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Companies with respect to these matters. In addition, we have assumed that the Scheme will be approved by the regulatory authorities and that the proposed scheme will be consummated substantially in accordance with the terms set forth in the Draft Scheme.
- vi. We understand that the Parties during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- vii. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra- ordinary transaction involving the Companies or any of its assets, nor did we negotiate with any other party in this regard.
- viii. We express no opinion whatever and make no recommendation at all as to the decision to effect to the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Parties should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the proposed Scheme.
- ix. In the ordinary course of business, SKP is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of SKP may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of any company that may be involved in the Scheme.
- x. In no circumstances however, will SKP or its directors or employees accept any responsibility or liability to any third party.
- xi. The fee for our service for the issuance of this Opinion is not contingent upon the results of the Proposed Demerger.



## 5. Conclusion

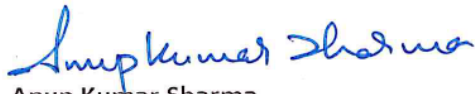
ML management proposes that the Demerged Undertaking of ML be demerged and transferred on a going concern basis into the Resulting Company with mirror shareholding of the Demerged Company. The beneficial economic interest of Demerged Company shareholders in Resulting Company will remain same as at the time of demerger and hence would not have any impact on the economic interest of the shareholders of the Demerged Company. The share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the Proposed Demerger will be value-neutral to the Demerged Company's shareholders.

In the circumstances, having regard to all the relevant factors and on the basis of information and explanation given to us, we are of the opinion on the date hereof, that the Share Entitlement Ratio as recommended by the Valuer, is fair and reasonable to the shareholders of Manaksia Limited from a financial point of view.

SKP has issued the Fairness Opinion with the understanding that Draft Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme alters the transaction.

Yours Sincerely,

For SKP Securities Limited



Anup Kumar Sharma  
Head – Merchant Banking  
SEBI Regn. No. INM000012670



Place: Kolkata