

HARIOM PIPE INDUSTRIES LIMITED

Valuation Report

CIN L27100TG2007PLC054564

Report Date: 25-01-2023

VRN: IOV/2022-23/3658

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A. SOMESWARA RAO
Registered Valuer-Securities or Financial Assets
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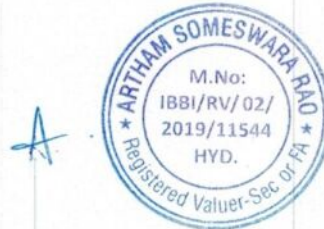
I. **SUMMARY REPORT**

1. Date of Valuation : 24th January, 2023.
2. Date of appointment : 20th January, 2023.
3. Date of submission of the Valuation Report : 25th January, 2023.

The said valuation assignment has been conducted for the purpose of computing the Value per equity shares of M/s. HARIOM PIPE INDUSTRIES LIMITED (herein after referred to as "Company") for the purpose to estimate the fair value for further issuance of securities, as per Section 62(1)(c) of the Companies Act, 2013 (as amended) read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, for a Preferential Allotment as per in accordance with Regulations 166(A) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 Dated: 14th January, 2022.

The Value per Equity Share ascertained by us is **Rs. 344.15/- (Rupees Three Hundred Forty Four and Fifteen Paise Only)**

However, the Board has proposed to issue Shares/Warrants at **Rs. 345.00/- (Rupees Three Hundred and Forty Five only)**, which is above the value as ascertained.



II. BACKGROUND INFORMATION

ABOUT THE COMPANY

The company "M/s. HARIOM PIPE INDUSTRIES LIMITED" (hereinafter also referred to as "the Client" or "the Company") incorporated on 21/06/2007 as a private limited and went public on 22nd March 2017. Having CIN L27100TG2007PLC054564, The Registered email address of the company is cs@hariompipes.com and its registered address is 3-4-174/12/2, 1st Floor, Samarpan, lane beside Spencer's Pillar No. 125, Attapur Hyderabad TG 500048 IN has appointed me as Registered Valuer vide engagement Letter dated 20th January, 2023., to determine the value per Equity Shares for the purpose of preferential allotment of securities as per chapter V of SEBI ICDR.

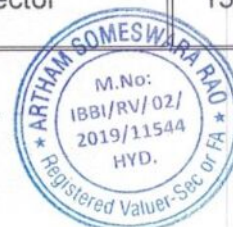
a. Overview :

The Company was incorporated as 'Hari Om Concast And Steels Private Limited' at Hyderabad as a private limited company in accordance with the provisions of the erstwhile Companies Act, 1956, pursuant to a certificate of incorporation dated June 21, 2007 issued by the Registrar of Companies, Andhra Pradesh. Thereafter, the name of our Company was changed to 'Hariom Pipe Industries Private Limited' vide special resolution dated December 12, 2017 and a fresh certificate of incorporation consequent to name change was issued on December 27, 2017 by Registrar of Companies, Hyderabad. Thereafter, our Company was converted into to a public limited company and consequently, the name of our Company was changed to 'Hariom Pipe Industries Limited' by a special resolution passed on January 08, 2018 and a fresh Certificate of Incorporation consequent upon conversion was issued on January 17, 2018 by the Registrar of Companies, Hyderabad.

The Company is a manufacturer of iron and steel products, with a diverse product portfolio consisting of Mild Steel (MS) Billets, Pipes and Tubes, Hot Rolled (HR) Coils and Scaffolding Systems, the products cater to a variety of industrial applications across multiple sectors.

b. Management of the Company :

DIN/ PAN	Full Name	Designation	Date of Appointment
00540787	RUPESH KUMAR GUPTA	Managing Director	21/06/2007
00540862	SAILESH GUPTA	Wholetime Director	09/01/2010
02849733	SNEHA SANKLA	Additional Director	14/11/2022
02981707	SUNITA GUPTA	Director	01/10/2014
03557358	PRAMOD KAPOOR KUMAR	Director	08/01/2018
09165223	RAJENDER REDDY GANKIDI	Director	15/05/2021



09608922	SOUMEN BOSE	Director	10/06/2022
COAPP1493Q	Chirag Partani	Company Secretary	06/10/2017
ATUPB4697D	Amitabha Bhattacharya	CFO(KMP)	06/10/2017

c. Equity Shareholding Pattern of the Company as on 20th January, 2023 :

SL. No	Category	No of shares held	% of shareholding
A	PROMOTERS/PROMOTERGROUP HOLDING		
1	Indian		
	Individual	14821595	58.18
	Bodies Corporate	2001109	7.85
	Sub-total	16822704	66.03
2	Foreign promoters/Promoter Group	--	--
	Sub-total(A)	16822704	66.03
B	NON-PROMOTERS'HOLDING		
1	Institutional investors		
	Foreign Portfolio Investors	510720	2.00
	Financial Institutions/Banks/Mutual Funds/AIF	75000	0.29
2	Non-Institutional Investors		
	Bodies Corporate	733539	2.88
	Directors and relatives	-	-
	Indian public	6541828	25.68
	Others including Non-resident Indians(NRIs)	792413	3.11
3	Non-Promoter Non-public	--	--
	Sub-total(B)	8653500	33.96
	GRANDTOTAL	25476204	100.00

III. IDENTITY OF THE RV AND ANY OTHER EXPERTS INVOLVED IN VALUATION:

I, **Artham Someswara Rao**, a registered Valuer under Asset Classification Securities & Financial Assets, duly registered with Insolvency and Bankruptcy Board of India under the provisions of Section 247 of Companies Act, 2013 read with Companies (Registered Valuers and Valuation) Rules, 2017, having registration Number as **IBBI/RV/02/2019/11544**.

No other expert was involved in this transaction.



IV. DISCLOSURE OF THE VALUER'S INTEREST OR CONFLICT, IF ANY :

I, CS Artham Someswara Rao, registered Valuer hereby declare that I have no interest either direct or indirect in the Company. Further to state that I am not having relation or any connection with Promoters or Directors or any officer of the Company directly or indirectly. Further to state that I am independent and being appointed in my individual capacity and nowhere related to any officials of the Company.

V. PURPOSE OF THE REPORT

This valuation is done for the purpose of valuation of Equity share pursuant as per in accordance with **Regulations 166(A) and 164** of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2018

VI. APPOINTING AUTHORITY

I have been appointed as Registered Valuer under the authority of the Resolution passed by the Audit Committee, vide by engagement Letter dated 20th January, 2023 as per the provisions of section 247 of the Companies Act, 2013.

VII. INTENDED USERS OF THE VALUATION

We understand that this deliverable will be used by the Company and other stakeholders for deciding the fair market value of Equity Shares to be offered for preferential allotment of equity shares by way of private placement.

VIII. SCOPE OF WORK

Our scope of work involved determination of the Value per Equity Share of M/s. HARIOM PIPE INDUSTRIES LIMITED, a company registered under the Companies Act 1956/2013 having CIN based on International Valuation Standards and Guidance Notes of International Valuation Standards Council (IVSC) which have been prescribed by IOV Registered Valuer Foundation (IOV-RVF) with which I am Registered as Valuer . The valuation report is based on the information and documents provided by the client and information collected independently by us. We have agreed to determine the value per Equity Shares of the company as at 24th January, 2023 for the purpose of arriving at the fair market value for preferential allotment of securities.

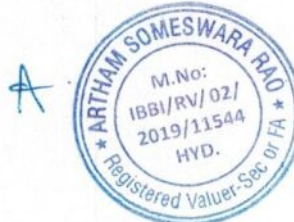
As per the engagement letter dated 20th January, 2023, we were required to follow established methods of valuation of the shares i.e. market value or DCF or NAV or Cost. As required by International Valuation Standards, we have considered possible and appropriate methods of valuation of shares and provided adequate disclosure of the same in our report.

The Valuation Currency for this Valuation Report is Indian Rupees.

IX. BASES AND PREMISE OF VALUATION

As per IVS 2020 we have used the "Market Value" as the basis of valuation. The Premise of Value has been taken as Highest & Best Use (HABU), which is also understood to be the Current Use, in the present case.

IVS-104 defines "Market Value" as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.



X. SOURCE OF INFORMATION

- Copy of company profile including the details about business of the company and the product ranges by the company.
- Data extracted from publicly available sources believed to be reliable and true i.e. NSE India, BSE India.
- Published Audited financial statements of Company for the period ended 30th September 2022.
- Projected financial statements for FY 2023-24, 2024-25 and 2025-26.
- Articles of Association of the Company.

XI. PROCEDURES CONDUCTED

The Procedures conducted by us are:

1. Requested and received all required information from the Management.
2. Run through of the AOA of the Company
3. Considered the historical financial statements of the Companies.
4. Discussed the profile and operations of the Companies with the Management(s).
5. Discussions with the Management on understanding of the businesses of the Company.
6. Evaluated the various valuation methods and computing the value using each of the applicable methods.
7. Arrived at the fair value taking cognizance of the AOA and the ICDR Regulations.
8. Prepared and issued valuation report.

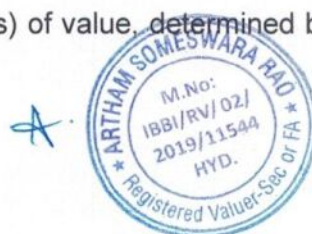
XII. VALUATION METHODOLOGY AND APPROACHES:

In valuing the shares of the company, we need to perform the following steps,

1. Understanding the Business of the company
2. Understanding the Industry in which the company operates
3. Identifying the Assets of the company, including Income Generating Businesses, fixed assets, etc.
4. Valuing the Assets of the company, wherein, three different approaches may be employed to determine value: (i) the Income Approach, (ii), the Market Approach and (iii) the Cost Approach. While each of these approaches is initially considered in the valuation of an asset, the nature and characteristics of the asset, availability of required data for each of the approaches indicate which approach, or approaches, is most applicable.
5. Identifying the liabilities of the company
6. Computing the Value available to Shareholders and arriving at the Value per share

As required by IVS -105, we have given consideration to all the relevant and appropriate valuation approaches. In selecting the appropriate valuation approach and method, we have considered the following:

- a) The appropriate basis(es) of value and premise(s) of value, determined by the term, and purpose of the valuation assignment,



- b) The respective strengths and weaknesses of the possible valuation approaches and methods,
- c) The appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
- d) The availability of reliable information needed to apply the method(s).

We have hereunder discussed the various approaches available under the valuation standards and approaches(es) adopted by me after considering the above and the information available for the asset under valuation.

A) INCOME APPROACH

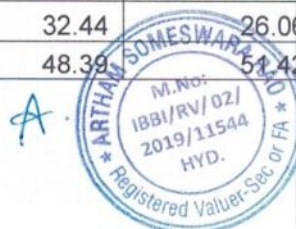
The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. This approach is appropriate where the income-producing ability of the asset is the critical element affecting the value or reasonable projections of the amount and timing of future income are available for the subject asset. The approach is used where 'Anticipation of benefits' is the economic principle which would be used by market participants to decide the Value of the subject asset.

The following Income Approach method have been considered by us in the report :

Discounted Cash Flow (DCF) Method

The Discounted Cash Flow Method involves forecasting the Free Cash Flows Available to Equity (FCFE) & Estimated Terminal Value and discounted back to the valuation date with Cost of Equity (Ke) for the company to arrive at the Value available to equity shareholders

				<i>Rs. In Crores</i>
Particulars	2022-23	2023-24	2024-25	2025-26
	Estimated	Projected	Projected	Projected
Inflow				
EBIT - Operating profit	82.89	221.53	250.84	307.01
Add: Depreciation & Amortisation	11.22	33.82	42.56	55.91
Add:/Less: Non Cash Exp/Income	(0.05)	(0.05)	-	-
Sale of Fixed Assets	-	-	-	-
Increase in Share Capital	222.04	87.22	-	-
Increase in Term Loans	125.94	-	-	-
Increase in other long term borrowings	0.93	-	-	0.01
EBDITA	442.97	342.52	293.40	362.93
Total Inflow	442.97	342.52	293.40	362.93
Outflow				
Purchase of Fixed Assets	255.02	10.00	12.05	75.06
Payment of Interest	10.12	40.48	53.52	63.39
Incremental Working Capital (exc cash)	36.47	317.48	151.32	112.08
Repayment of Debt	-	32.44	26.06	24.46
Income Tax	21.43	48.39	51.42	61.32



Total Outflow	323.04	448.79	294.36	336.31
Net Free Cash Flows (FCF)	119.93	(106.27)	(0.96)	26.62
Discounting factor	0.912	0.832	0.759	0.692
Present Value	109.39	(88.41)	(0.73)	18.42
Present Value of cash inflow during the explicit forecast Period	38.68			
Present Value of the Perpetuity	810.10			
Add: Investments	-			
Business Value	848.78			
Less : Debt financing	-			
Less : Contingent Liabilities	-			
Equity Value	848.78			
No. of shares	25476204			
Value Per Share (Rs.)	333.17			
Weighted average cost of capital				
Risk free rate	7.39%			
Add: Market Risk Premium	6.47%			
Add: Liquidity risk	1.97%			
Cost of Equity	15.83%	0.34		
Effective interest rate	8.63%			
Less: Effective Tax rate	25.17%			
Net adjusted interest rate	6.45%	0.66		
Weighted average cost of capital (WACC)	9.64%	1.0		

B) NET ASSET VALUE (NAV) METHOD :

The asset-based valuation technique is based on the value of the underlying net assets of the business. Since the Company has net assets, the Net Asset Value method is considered under the Cost Approach for current valuation of the Companies based on the unaudited financial statements of the Company for the period ended 30th September, 2022

The Net asset value is the value of an entity's assets minus the value of its liabilities. The formula to determine Net Asset Value (NAV) of the Company is as follows:

Net Asset Value (NAV) : Total Assets - Total Liabilities

(Rs. In Lakhs)			
Period	Total Assets (A)	Total Liabilities(B)#	Net Asset Value (C) = (A – B)
30/09/2022	36,795.34	12,258.48	24,536.86

Further, the Net Asset Value (NAV) per share is as follows:

Sr. No.	Net Asset Value (NAV) (A)	No. of Equity Shares (B)	Net per share (C) = (A / B)
1	24,536.86	2,54,76,204	96.31 (Per share)

29,50,000 shares of 0 % Series A Redeemable Non Cumulative Preference share of Rs.10/- is considered as debt.

C) MARKET APPROACH

The market approach is a method of determining the value of shares based on the quoting price in the respective stock exchange where the shares have been listed.

The objective of the valuation process is to make a best reasonable judgment of the value of the Shares of the Company. The best reasonable judgment of the value will be referred to as the fair value (FV). The Equity Shares of the Company are listed at platform of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

we have used the Market Price Approach Method for valuing shares on Volume weighted average price of HARIOM PIPE INDUSTRIES LIMITED as observed on NSE over a reasonable period has been used to arrive at the fair value per equity share.

For the purpose of valuation we have relied on the data of NSE India in accordance to Regulations 166(A) and 164 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 Dated: 14th January, 2022.

The price computed above is in consonance with Regulation 166A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022 vide Notification No. SEBI/LAD-NRO/GN/2022/63 Dated: 14th January, 2022, which mandates that preferential issue of equity shares which may result in a change in control or allotment or more than five percent, shall confirm to the pricing provisions of preferential issue specified under Regulation 164 of the ICDR Regulations.

The equity shares of Company are listed at National Stock Exchange of India Limited, and BSE Limited and are frequently traded in accordance with SEBI (ICDR) Regulations.

In terms of the applicable provisions of SEBI (ICDR) (Amendment) Regulations, 2022, the price at which Equity Shares shall be allotted shall not be less than higher of the following ;

"a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date: or

b. the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

Provided that if the Articles of Association of the issuer provide for a method of determination which results in a floor price higher than that determined under these regulations, then the same shall be considered as the floor price for equity shares to be allotted pursuant to the preferential issue."

In this regard the Articles of Association("AOA") of the Company do not categorically mention about the pricing of preferential issue. The Company, hence, needs a fair valuation report on valuation of equity shares of Company for computation of the price for preferential issue of equity shares to the Allotees, in compliance with the provisions of regulation 164(1) of the SEBI ICDR Regulations.



Calculation of Minimum Issue Price as prescribed under Reg.164 (1) of SEBI (ICDR) Regulations 2018.

Date of EGM : 20-02-2023

Relevant Date : 20-01-2023 (ie., a day Preceding to the Weekend date 21-01-2023)

Stock Exchange : National Stock Exchange of India Limited (NSE) is consider as Stock Exchange, as the equity shares of the Company is listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date.

Frequently Traded Shares : The Equity shares as considered as Frequently traded shares under the provisions of Section 164(5) of SEBI (ICDR) Regulations, 2018

- A) The 90 Trading Days Volume Weighted Average Price of the related Equity shares quoted on the Recognized Stock Exchange (NSE) preceding the relevant Date : (i.e., from 13-09-2022 to 19-01-2023).

$$\frac{TO1+TO2+ + TO90}{Q1+Q2+ + Q90} = \frac{8,71,73,68,487.60}{2,64,82,614.00} = \underline{329.17 (A)}$$

- B) The 10 Trading Days Volume Weighted Average Price of the related Equity shares quoted on the Recognized Stock Exchange (NSE) preceding the relevant Date : (i.e., from 06-01-2023 to 19-01-2023).

$$\frac{TO1+TO2+ + TO10}{Q1+Q2+ + Q10} = \frac{66,24,56,365.80}{1924877} = \underline{344.15 (B)}$$

Where, TOn = Total turnover in the scrip on 'nth' trading day
Qn = Number of shares of the scrip traded on 'nth' trading day

Calculation of 90 Trading days :

Sl. No.	Date	No. of Shares Traded	Turnover (in Rs.)
1	19-Jan-23	188738	6,53,84,797.60
2	18-Jan-23	98295	3,32,86,225.40
3	17-Jan-23	109200	3,72,79,443.90
4	16-Jan-23	83894	2,84,13,447.15
5	13-Jan-23	74915	2,54,76,121.50
6	12-Jan-23	250065	8,52,36,143.90
7	11-Jan-23	329589	11,56,55,857.55
8	10-Jan-23	448715	15,35,92,238.60
9	09-Jan-23	191834	6,60,32,503.95
10	06-Jan-23	149632	5,20,99,586.25
11	05-Jan-23	233596	8,28,11,731.25
12	04-Jan-23	214857	7,63,56,503.50
13	03-Jan-23	586889	21,31,00,641.65



14	02-Jan-23	499388	18,07,74,277.75
15	30-Dec-22	856892	30,86,76,638.80
16	29-Dec-22	990077	36,01,32,111.75
17	28-Dec-22	4311811	1,64,22,90,736.20
18	27-Dec-22	246982	8,34,60,587.45
19	26-Dec-22	341338	11,08,21,804.70
20	23-Dec-22	319095	9,92,32,098.55
21	22-Dec-22	294230	9,59,97,823.15
22	21-Dec-22	283116	9,55,83,292.45
23	20-Dec-22	133253	4,61,94,469.60
24	19-Dec-22	165890	5,69,74,008.85
25	16-Dec-22	211358	7,27,07,896.30
26	15-Dec-22	195121	6,89,70,621.75
27	14-Dec-22	218591	7,94,50,268.80
28	13-Dec-22	184354	6,66,28,926.60
29	12-Dec-22	445168	16,21,28,969.30
30	09-Dec-22	249901	8,86,05,839.90
31	08-Dec-22	433358	15,68,86,414.90
32	07-Dec-22	858449	30,64,33,397.25
33	06-Dec-22	108188	3,65,05,911.25
34	05-Dec-22	255143	8,82,53,036.70
35	02-Dec-22	616954	21,03,05,227.50
36	01-Dec-22	257528	8,37,23,037.45
37	30-Nov-22	360840	11,47,21,020.75
38	29-Nov-22	333301	10,80,14,854.30
39	28-Nov-22	1063993	34,94,72,752.10
40	25-Nov-22	1322536	41,15,93,467.10
41	24-Nov-22	177666	5,10,10,730.85
42	23-Nov-22	107080	2,95,79,693.70
43	22-Nov-22	78077	2,11,24,487.55
44	21-Nov-22	92125	2,49,22,372.30
45	18-Nov-22	78882	2,19,50,976.15
46	17-Nov-22	271101	7,47,18,803.70
47	16-Nov-22	190249	5,05,74,839.65
48	15-Nov-22	158841	4,33,89,751.00
49	14-Nov-22	231534	6,58,16,857.30
50	11-Nov-22	429924	12,87,42,418.10
51	10-Nov-22	350216	10,03,18,063.65
52	09-Nov-22	67193	1,85,55,698.35
53	07-Nov-22	98151	2,68,44,326.90
54	04-Nov-22	58474	1,61,55,311.95
55	03-Nov-22	117070	3,19,63,887.80
56	02-Nov-22	78151	2,11,28,081.40
57	01-Nov-22	81900	2,25,55,794.65
58	31-Oct-22	81363	2,26,79,692.85
59	28-Oct-22	72806	2,03,95,606.10

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60	27-Oct-22	92590	2,65,68,291.00
61	25-Oct-22	97185	2,78,85,026.00
62	24-Oct-22	132025	3,88,05,215.50
63	21-Oct-22	380580	11,10,43,557.60
64	20-Oct-22	151395	4,27,88,367.05
65	19-Oct-22	66797	1,84,41,502.80
66	18-Oct-22	97615	2,71,40,903.20
67	17-Oct-22	143833	3,85,37,856.30
68	14-Oct-22	80866	2,14,92,302.55
69	13-Oct-22	72156	1,95,08,209.50
70	12-Oct-22	108574	2,98,08,417.50
71	11-Oct-22	137809	3,84,85,380.00
72	10-Oct-22	120070	3,38,93,928.00
73	07-Oct-22	241089	6,82,44,443.50
74	06-Oct-22	352203	9,79,32,272.10
75	04-Oct-22	232128	6,11,55,332.50
76	03-Oct-22	131080	3,34,76,430.35
77	30-Sep-22	91679	2,36,38,206.15
78	29-Sep-22	112193	2,87,16,070.15
79	28-Sep-22	90522	2,30,65,346.85
80	27-Sep-22	163843	4,15,97,712.40
81	26-Sep-22	293632	7,49,68,119.85
82	23-Sep-22	182875	4,74,06,045.50
83	22-Sep-22	208945	5,60,35,036.75
84	21-Sep-22	164456	4,47,67,625.30
85	20-Sep-22	111339	3,05,52,043.95
86	19-Sep-22	180344	4,83,91,855.15
87	16-Sep-22	379314	10,31,64,512.80
88	15-Sep-22	204149	5,74,30,433.90
89	14-Sep-22	141041	3,91,33,950.00
90	13-Sep-22	182410	5,16,01,966.05
	Total	2,64,82,614.00	8,71,73,68,487.60

A) Calculation of 10 Trading days :

Sl. No.	Date	No. of Shares Traded	Turnover (in Rs.)
1	19-Jan-23	188738	6,53,84,797.60
2	18-Jan-23	98295	3,32,86,225.40
3	17-Jan-23	109200	3,72,79,443.90
4	16-Jan-23	83894	2,84,13,447.15
5	13-Jan-23	74915	2,54,76,121.50
6	12-Jan-23	250065	8,52,36,143.90
7	11-Jan-23	329589	11,56,55,857.55
8	10-Jan-23	448715	15,35,92,238.60
9	09-Jan-23	191834	6,60,32,503.95
10	06-Jan-23	149632	5,20,99,586.25



	Total	1924877	66,24,56,365.80
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Applicable minimum price (Higher of (A) or (B)) above is **Rs. 344.15/- (Rupees Three Hundred Forty Four and Fifteen Paise Only)**

XIII. CONCLUSION:

The ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer 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 on comparable 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. This concept is also recognised in judicial decisions.

We understand and state that that the AOA of the Company does not categorically provide for a method of determination which results in a floor price higher than that determined under the ICDR regulations. The minimum value of equity shares of a frequently traded listed company should be in accordance with pricing provisions of Chapter V of SEBI ICDR Regulations as amended from time to time.

Since the value of equity shares of Company under the NAV and Income approach is lower than the value of equity shares of Company as per the ICDR Regulations (captured in market approach), we have given due cognizance to the base price derived using the formula given in the ICDR regulations to assign appropriate weights to the values computed under each method. Based on the above, we have given 0% weight to value of Hariom computed under the NAV and income approach and given 100% weight to value of Hariom computed as per ICDR Regulations under Market approach

Our valuation Results using the various methods are summarized as under :

Valuation approach	Valuation Method	Unit	Value per Share (INR)	Weight	Weighted Value
			(i)	(ii)	(iii) = (i) * (ii)
Income Approach	Discounted Cash flow	INR	333.17	0%	0.00
Asset Approach	Net Asset Value	INR	96.31	0%	0.00
Market Approach	Volume weighted average price	INR	344.15	100%	344.15
Fair Value per share		INR		100%	344.15
Note : Since the value under the Market Price Method (as per the Regulation 164(1) - ICDR Regulations) is the maximum, we have given 100% weight to the value computed using the Market Price Method					

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XIV. CAVEATS, LIMITATION AND DISCLAIMERS :

i. Restriction on the use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third -party advisors whose review would be consistent with the intended use . I do not take any responsibility for the unauthorized use of this report.

ii. Responsibility of RV

I owe responsibility to only to the client that has appointed me under the terms of the engagement letters. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken. omissions or advice given by any other person. In no event shall we be liable for any loss. damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

iii. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on th is information.

iv. Achievability of the forecast results

We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the forecast results is dependent on actions. plans and assumptions of management.

v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report Can only be regarded as relevant as at the valuation date i.e. 24th January, 2023..

vi. Reliance on the representations of the clients, their management and other third parties.

The Client and its management warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge and we have relied upon the representations of the clients their management and other third parties concerning the financial data, operational data and maintenance schedule and all plant machinery equipment's tools vehicles, real estate investments and other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damage, cost or expenses arising from fraudulent acts, misrepresentation or wilful default on the part of the Companies, their directors, employees or clients.

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vii. No procedure performed for corroborate, information taken from reliable external sources.

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth of accuracy of any data. opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data. opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources or reproduced in its proper form and context.

viii. Compliance with relevant laws

The report assumes that the company complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not reflected in the balance sheet provided to us.

ix. Multiple factors affecting the Valuation Report

The valuation report is tempered by the exercise of judicious discretion by the RV, taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

x. Future services including but not limited to Testimony or attendance in courts/tribunals/authorities for the opinion of value in the Valuation Report

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

Place: Hyderabad

Date: 25-01-2023



A. Someswara Rao

A. SOMESWARA RAO

Registered Valuer-Securities or Financial Assets

IBBI No: IBBI/RV/02/2019/11544

VRN: IOV/2022-23/3658