RV SHREYANSH M JAIN

Registered Valuer (SFA)

Ref: RV/SMJ/HMFL/2022-23

August 12, 2022

To,
Board of Directors,
Hilton Metal Forging Limited
Unit B-510, Western Edge II Village,
Nr. W.E.Highway, Magathane, Borivali East,
Mumbai City-400066, Maharashtra

Dear Sir,

Subject – Report on Fair Value of Equity Shares for the purpose of Preferential Allotment of Convertible Equity Warrantsin terms of SEBI (ICDR) Regulation, 2018

I have performed a valuation engagement in respect of "Hilton Metal Forging Limited" (referred hereinafter as "HMFL" or"the Company") as onrelevant date i.e. 12.08.2022. This valuation was performed on fair value base solely for the purpose of preferential allotment of convertible equity warrants (equity warrants)in terms of Regulation 164 and 166A of SEBI (ICDR) Regulation, 2018.

The resulting estimate of value should not be used for any purpose or by any other party for any purpose other than the one identified above.

I have estimated the fair value per equity share of the Company to be **INR53.64per share**.

Equity Warrants are convertible into equity shares at a conversion ratio of 1:1. Therefore, the fair market value of the Equity Warrants of the company would be determined considering the value of underlying instrument i.e. equity shares of HMFL, which is **INR 53.64** per equity warrant.

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in the later part of this report. A detailed working of the valuation can be found in laterpart of this report. I have no obligation to update this report or my conclusion of value for information that comes to my attention after the date of this report.

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A. Background information of the asset being Valued

Hilton Metal Forging Limited ("HMFL") is public limited company incorporated under the Companies Act, 1956 on July21, 2005, having its registered office at Unit B-510, Western Edge II Village, Nr. W.E. Highway, Magathane, Borivali East, Mumbai City-400066, Maharashtra, India. The Company Identification Number (CIN) of the company is L28900MH2005PLC154986.

Hilton Metal Forging is one of the leading manufacturer & distributors of steel forged flanges, fittings & oilfield and marine products for both the domestic & international markets as per ASTM/ ASME/MSS/API/AWWA/DIN/EN/ AUSTRALIAN/RUSSIAN AND NACE Standards. The company uses state-of-the-art machinery resulting in better quality forged flanges and fittings andis also capable to provide special custom forgings as per our customers' drawings and specifications.

B. Purpose of the Valuation and appointing authority

I have been informed by the management that the company isin the process of preferential allotment of equity warrants.Thus, a valuation report for the same is required under the Companies Act, 2013 read with rules made thereunder and Regulation 164 read with Regulation 166A of the Securities and Exchange Board of India (ICDR) Regulations, 2018.

The Audit Committee of HMFLhas appointed Shreyansh Jain, Registered Valuer - Securities or Financial Assets ('Valuer', 'I', 'my' or 'me')to provide a valuation report for the fair value of equity warrants of HMFLfor the purpose referred above.

C. Identity of the Independent Registered Valuer

Name of the Valuer	RV Shreyansh M Jain
IBBI Registration Number	IBBI/RV/03/2019/12124
ICSI RVO Reg. No.	ICSIRVO/SFA/38
Address	B3/110, Shyam Villa, Opp. Shyam Mandir, New City Light, Surat - 395017, Gujarat, India
Contact Email of RV	rvshreyanshmjain@gmail.com

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D. Use of work of Expert

I have not used the work of any other experts in the valuation assignment.

E. Disclosure of Valuer's Interest or Conflict, if any

I hereby confirm and explicitly declare thatI amIndependent Registered Valuer and do not have any interest, direct or indirect, in the underlying securities being valued.

F. Date of appointment, valuation date and date of the valuation report

Date of appointment	July 22, 2022
Relevant date	August 12, 2022
Date of valuation report	August 12, 2022

G. Inspections and/or investigations undertaken

I have not carried out any inspection or independent verification of the information provided. I have relied on the publicly available informationand other financial and non-financial information made available to me as well as the representations made to me in the course of this engagement.

H. Nature and sources of the information used or relied upon

In the course of my valuation analysis, I have relied on various financial and non-financial information obtained from the company and from various public, financial and industry sources. I have relied that all information provided by the company has been duly approved by the concerned authority to which it pertains to. My conclusion of value is dependent on such information being completeand accurate in all material respects.The principal sources of Information used in the course of my valuation include, inter alia:

1. **Company specific information**
   a) Brief history, present activities and business profile etc.;
   b) Memorandum of Association and Article of Association;
   c) Discussions with and other information provided by the company;
   d) Notes and presentations prepared by the company;
   e) Historical financial information provided by the company;
   f) List of directors of the Company as at Valuation Date;
   g) Management Representation Letter ("MRL") dated 12-08-2022

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2. **Publicly available information**
   Publicly available information and secondary information including information on websites like https://www.bseindia.com. I have not independently verified the accuracy or timelines of the same; and

It is important to note that I have relied upon the information provided to me and referred to above. I have not endeavored to seek an independent confirmation of its reliability, accuracy or completeness beyond what is reasonably necessary and prudent in the circumstances. I have not performed any form of audit or verification of the information that I have relied upon. Accordingly, the Valuer accepts no responsibility for any errors in the information on which the valuation conclusions are based.

I. Procedures adopted in carrying out valuation and valuation standards followed

My analysis of value of the company, HMFL is based on the International Valuation Standards and the prescriptions laid down in Companies (Registered Valuer's and Valuation) Rules, 2017as well as the requirements of the Securities and Exchange Board of India (ICDR) Regulation, 2018.

Some of the key procedures in carrying out the valuation engagement are:

a. Understanding the nature and purpose of the transaction.
b. Selection of the most appropriate valuation base.
c. Identifying the premise of value which refers to the conditions and circumstances how asset is deployed.
a. Selection of the valuation approach and the corresponding valuation methodology. The standard valuation approaches and methodologies are as below:
   - **i. Cost Approach**
     a. Net Asset Method
   - **ii. Market Approach**
     a. Market Price Method
     b. Comparable Companies Multiple Method/ Comparable Company Transaction Method
   - **iii. Income Approach**
     a. Discounted Cash Flow (DCF) Method
d. Performing the valuation engagement and arriving at the valuation conclusion

J. Valuation Methodology Used

This valuation report is prepared on a fair value base. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

Amongst the valuation methodologies identified in the valuation standards, I have considered the "Net Asset Value" methodunder Cost Approach, "Market Price" method under the Market Approach and "Discounted Cash Flow" Method under Income Approach as the most appropriate methodology for the purpose of valuing the company.

COST APPROACH

1. **Net Asset Value Method ('NAV)**

   The asset-based value analysis technique is based on the value of the underlying net assets of the business, either on a book value basis, realizable value basis or replacement cost basis. This value analysis approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. It is also used where the main strength of the business is its asset backing rather than its capacity or potential to earn profits.

   Book value is considered important in terms of valuation because it represents a fair and accurate picture of a company's worth. The book value of equity share based on Audited Financial Statement for the year ended on 31.03.2022 is **INR 36.07per share** and given as under:

Particular	Amount (In INR Lacs)
Book Value of Assets	11,402.00
(A)	**11,402.00**
Book Value of Liabilities	11,402.00
Less: Paid up Capital	1,244.30
Less: Reserves & Surplus	3,243.39
(L)	**6,914.31**
Net Value of Assets (A-L)	**4,487.69**
No. of Equity Shares as on 31-03-2022	1,24,43,016
Value of Equity Share (INR)	**36.07**

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MARKET APPROACH

1. Market Price Method

Under the Market Price method, a Valuer considers the traded price observed over a reasonable period while valuing assets which are traded in the active market. For this purpose, one considers the market where the trading volume of asset is the highest when such asset is traded in more than one active market. The valuation standards also prescribe that the Valuer should use average price of the asset over a reasonable period and use a weighted average or volume weighted average to reduce the impact of volatility or any one-time event in the asset.

It is also important to note that as a listed company, pricing of the company for the purpose of preferential allotment of Equity Shares is governed by the 'pricing guidelines' in Regulation 164 of the Securities and Exchange Board of India (ICDR) Regulations, 2018.

In terms of Regulation 164 of SEBI (ICDR) Regulation, 2018, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following:

a. the 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
b. the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

The relevant date for the purpose of computing the price of the equity shares of HMFL has been considered to be the date of the board meeting of HMFL approving the Transaction in accordance with the SEBI Circulars relating to preferential issue of shares. We have therefore considered the prices up-to a day prior to the relevant date i.e., price up-to 11 August 2022, to ensure that the price of HMFL shares being considered are not less than the minimum price arrived under the formula prescribed under Regulation 164.

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The floor price of equity shares pursuant to preferential issue in terms of Regulation 164 of SEBI (ICDR) Regulation, 2018 is as hereunder:

PRICING OF EQUITY SHARES TO BE ISSUED ON PREFERENTIAL BASIS AS PER REGULATION 164 AND 166A OF SEBI (ICDR) REGULATION, 2018				
	Particular	Total No. of Traded Shares	Total Traded Value	Volume Weighted Average Price
A	90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date i.e. 12-08-2022	9081635	397510066.1	43.77
B	10 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date i.e. 12-08-2022	3780701	193464796.8	51.17
Minimum Price of Equity Shares (Higher of A and B above)				51.17

The equity shares of HMFL have highest turnover on National Stock Exchange (NSE); Hence, for the purpose of Regulation 164 of SEBI (ICDR) Regulation, we have considered the recognized stock exchange as NSE.

See **Annexure – A** for the detailed working.

2. **Comparable Companies' Multiple Method ('CCM')**

Under CCM the value of shares/ business of a company is determined based on market multiples of publicly traded comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. CCM applies multiples derived from similar or 'comparable 'publicly traded companies to a company's operating metrics. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company. The appropriate multiple is generally based on the performance of listed companies with similar business models and size.

+Based on my discussion with the Management, I understand that there are no recent comparable transactions involving companies of similar nature and having a similar metrics as that of HMFL, I have therefore not used CTM method.

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3. **Comparable Companies' Transaction Method ('CTM')**

   Under CTM the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

   Based on my discussion with the Management, I understand that there are no recent comparable transactions involving companies of similar nature and having a similar metrics as that of HMFL, I have therefore not used CTM method.

INCOME APPROACH

1. **Discounted Cash Flows ('DCF') Method**

   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.

   Free cash flows are the cash flows expected to be generated by the company that are available to stakeholders of the company. The terminal value represents the total value of the available cash flow for all periods subsequent to the forecast period.

   The projected free cash flows to equity shareholders over the explicit forecast period and terminal value are discounted using the Weighted Average Cost of Capital ('WACC'). The sum of the discounted value of such free cash flows to equity is the value of the business attributable to equity shareholders.

   For the purpose of undertaking the DCF value analysis, the free cash flows are based on projections and other information that are provided by the management.

   The management of the HMFL expects the Company to make profits and generate surplus cash for the foreseeable future. I have therefore used DCF method which is one of the most commonly used and internationally accepted pricing methodology for valuing such companies.

   - **Free Cash Flows to the Firm (FCFF)**

     FCFF are the cash flows expected to be generated by the Company that are available to providers of the Capital to the Equity as well as debt holders. FCFF is determined by Profit after Taxes, to which any non-cash expenses like Depreciation and amortization are added back. The above is adjusted for (i) change in working capital

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requirements (ii) investments in capital expenditure and other assets as well as (iii) change in non-current assets and liabilities and (iv) Interest Expense (Net off Tax). Free cash flows thus calculated will be equal to the sum of the cash flows available to Equity Shareholders and Debt Holders.

- **Time Frame of Cash Flows**

  A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, I have been furnished with the financial projections from April 1, 2022 to March 31, 2025, I have considered the same for the purpose of valuation.

- **Appropriate Discounting Rate i.e. Weighted Average Cost of Capital**

  The Weighted Average Cost of Capital (WACC) is the average rate that a company is expected to pay to all its equity and debt holders, to finance its assets. The WACC is the weighted average return that a company must earn on an existing asset base to satisfy its owners and debt holders. Broadly speaking, a company's assets are financed by either debt or equity. WACC is the weighted average return for cost for equity shareholders as well as debt holders.

Discounting Factor

The discount factor considered for arriving at the present value of the FCFF is the WACC, which comprises of cost of debt and equity

$$\mathbf{WACC} = \left(\mathbf{Kd} * (\mathbf{1} - \mathbf{t}) * \left[\frac{\mathbf{D}}{\mathbf{D} + \mathbf{E}}\right]\right) + \left(\mathbf{Ke} * \left[\frac{\mathbf{E}}{\mathbf{D} + \mathbf{E}}\right]\right)$$

Where 'D' and 'E' represent the debt and equity portion respectively in the capital structure.

The WACC using the above parameters has been estimated at 10.58% after giving appropriate allowances for illiquidity of shares and company specific risk including risk associated with achieving the financial projections, etc.

- **Cost of Debt (Kd)**

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Cost of debt refers to the effective rate a company pays on its current debt. The cost of debt is used after including the tax impact. As informed by the management, the average effective interest rate for the debt will be 8.45% p.a.
I have considered a tax rate for debt at 27.82% to calculate the tax benefit on interest expense. Accordingly, I have arrived at 6.10% as post tax cost of debt.

- **Cost of Equity (Ke)**

The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\textbf{CAPM (Ke)} = \mathbf{Rf} + \boldsymbol{\beta}\,(\mathbf{Rm} - \mathbf{Rf}) + \boldsymbol{\alpha}$$

Where:

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model
Rf =Risk free rate of return
β =Beta factor as a measure of the systematic risk
Rm =Representative Market Return
(Rm – Rf) =Equity Market premium (ERP)
α = Company Specific Risk Premium

Capital–Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

- **Risk Free Rate**

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable) and include the expected long-term inflation premium. Based on current yield of 10 Year GOI Security bond, risk free rate has been considered as 6.84% in the present case. *(Source: https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical-data)*

- **Equity Risk Premium**

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the equity. It is typically measured by the amount by which historical returns in the equity security markets, over a long period of time, have exceeded the returns from risk free investments. Such historical return from investment in the equity markets – which is the sum of return by way of capital appreciation and return by way of dividend yield – is the market return. I have considered

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equity risk premium of 6.61% based on the return of BSE Metal for last 22 years. (Market Return = 13.45%)

- **Beta (β)**
  Systematic risk is measured in the CAPM by a factor known as Beta. Beta is a measure of volatility or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the asset has to be estimated relative to the market portfolio and by selecting the comparable companies closely associated with the subject company. I have considered Beta of 1.00 for the purpose of calculation of Cost of Equity. *(Neutral Beta)*

- **Company Specific Risk Premium (α)**
  Company Specific Risk Premium (CSRP) is the risk unique to the company. At present RAPL is operating at a small scale whereas the proposed business plan on the basis of which valuation has been arrived at considering the financial projections which are at a bigger scale. It includes Additional Business & Projection Risk and Illiquidity Risk. Hence to compensate the investor for this aspect, I have considered 1.00% premium towards CSRP.

- **Terminal Value**
  The terminal value of an on-going business could best be determined as present value of estimated future free cash flows in order to obviate the need to forecast the Company's cash flows in detail for an indefinite period. On this basis, the calculation of the terminal value may be made by capitalizing the free cash flows of the terminal year with Cost of Equity, adjusted for the future expected growth ("g"). As per my estimate, 5.00% should be assumed to be a long-term rate at which company should grow and accordingly the same is considered as perpetual growth rate for the purpose of valuation of HMFL. FCFF at the end of explicit forecast period which is FY 2024-25 is considered for calculation of terminal value. Other aspects in this regard have been described above under the heading of explicit forecast period.

- **Equity Value**
  To arrive at the total value attributable to the equity shareholders of the business, value arrived through DCF method for the Company is adjusted by subtracting outstanding Debts & Preference shareholding, if any, there from and adjusting for the inflow on exercise of options, non-operating assets/ liabilities (e.g. fair value of investments, any contingent liabilities, etc.). The total adjusted value for equity shareholders is then divided by the total number of equity shares to arrive at the value per equity share.

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Statement showing Calculation of Free Cash to Firm

(Amount in INR Lakhs)

Particulars	2022-23	2023-24	2024-25	Terminal Year
Profit After Tax	**492.60**	**657.31**	**832.25**	**873.86**
Add: Depreciation	216.06	183.65	156.10	156.10
Add: Interest (Net-off Tax)	328.37	317.00	301.17	301.17
Cash Profit After Tax	**1,037.03**	**1,157.96**	**1,289.52**	**1,331.13**
Less: Changes in Fixed Assets	-	-	-	75.00
Less: Incremental Working Capital Investment	719.62	473.02	573.45	368.22
Less: Changes in Net Non-Current Assets/Liabilities	(121.30)	62.90	111.39	-
Unlevered Free Cash Flows	**438.71**	**622.04**	**604.68**	**887.91**
Discount factor	0.87	0.76	0.67	
Net Present Value	**383.33**	**474.90**	**403.36**	

Calculation of Weighted Average Cost of Capital (WACC)

Particulars	Value
Risk Free Rate of Return	6.84%
Beta Coefficient	1.00
Market Return	13.45%
Market Equity Risk Premium	6.61%
Business Risk	1.00%
Cost of Equity Financing	**14.45%**
Effective Average Finance Cost	8.45%
Tax Rate	27.82%
Cost of Debt (Post-Tax)	**6.10%**
Weightage	
Equity	0.54
Debt	0.46
Weighted Average Cost of Capital (WACC)	**10.58%**

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Calculation of Terminal Value

Particulars	Amount in INR Lakhs
UFCF of last explicit year	887.91
WACC	10.58%
Growth Rate	5.00%
Terminal Value	15,921.13
Discount Factor	0.67
PV of Terminal Value	**10,620.58**

Statement Showing Value per Share

Particulars	Amount in INR Lakhs
PV of Explicit Cash Flows	1,261.59
PV of Terminal Value	10,620.58
Enterprise Value	**11,882.17**
Add: Cash & Bank Balance	124.19
Less: Debt	5,419.29
Add: Investments	87.77
Equity Value	**6,674.85**
No. of Shares (Face Value of INR 10 each)	1,24,43,016
Value Per Share (INR)	**53.64**

Valuation Conclusion

The current valuation has been carried out based on the discussed valuation methodologies explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, key underlying assumptions and limitations were given due consideration.

In order to assess the reasonableness of the value determined under each method, I have considered appropriate factors such as applicable nature of asset to be valued, availability of adequate inputs or information underlying the value and its reliability, premise of value, purpose and intended use of the valuation, amount of dependency on observable inputs and other relevant factors.

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In light of the aforesaid and after taking into consideration the principles of valuation that one would have to consider to value the equity shares of the Company, I have derived value as per Net Asset Value Method ('NAV') under Cost Approach, Market Price method under Market approach and Discounted Cash Flow ('DCF') Methodunder Income approach and considered the highest value as fair value of shares of the Company.

Particulars	Price per share (INR)
COST APPROACH	
Net Asset Method	36.07
MARKET APPROACH	
Market Price Method	51.17
Comparable Companies Multiple (CCM) Method	0
Comparable Transactions Multiple (CTM) Method	0
INCOME APPROACH	
Discounted Cash Flow (DCF) Method	53.64
Higher of above Values	**53.64**

On the above basis of the foregoing, the fair value of equity shares of HMFL is arrived at **INR 53.64 per share.**

Equity Warrants are convertible into equity shares at a conversion ratio of 1:1. Therefore, the fair market value of the Equity Warrants of the company would be determined considering the value of underlying instrument i.e. equity shares of HMFL, which is **INR 53.64** per equity warrant.

K. Valuation Methodology as per Article of Association of the company:

The Company has provided me with the AOA of the company and on review of the same I have ascertained that the Articles of Association of the company does not specify any particular method to be followed for valuation in case of a preferential issue of shares.

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L. Conclusion

Based on the valuation exercise carried out by me in terms of the methodology identified above, the price shall be the highest of:

Sr. No.	Particulars	Price per share (INR)
1	Valuation as per Regulation 164 (1) of SEBI (ICDR) Regulation	51.17
2	Valuation as per Internationally Accepted Methods	53.64
3	Valuation as per Article of Association	NA

M. Restrictions on use of the valuation report, if any

This valuation report is meant for use for the limited purpose of issue of equity warrantson preferential basis as on the valuation date or on a date close to the valuation date. It should not be used for any other purpose and by any other persons. Further, the valuation report is based on the available financial information from the company and publicly available sources which I believe to be accurate. I accept no responsibility for any errors in the information on which the valuation conclusions are based.

N. Major factors that were taken into account during the valuation

I have considered all factors that are required under the provisions of the Securities and Exchange Board of India (ICDR) Regulations, 2018, the Companies Act, 2013 and the relevant rules and requirements of the valuation standards.

For the purpose of proposedissue of equity warrantson preferential basis for which this valuation report is issued, I am informed by the company HMFL that the relevant date is August 12, 2022. The equity shares are frequently traded shares in terms of Regulation 164(5) of SEBI (ICDR) Regulation, 2018.

O. Conclusion

Based on the valuation exercise carried out by me in terms of the methodology identified above, I have estimated the fair value per equity share of the Company to be **INR 53.64 per share**.

Equity Warrants are convertible into equity shares at a conversion ratio of 1:1. Therefore, the fair market value of the Equity Warrants of the company would be determined

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considering the value of underlying instrument i.e. equity shares of HMFL, which is **INR 53.64** per equity warrant.

P. Caveats, limitation and disclaimers to the extent they explain or elucidate the limitations faced by Valuer

My report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

1. This report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The Company is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

2. In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to me by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

3. 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.

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

5. I 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. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

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6. The client and its management/representatives warranted to me that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.

7. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I 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 and /or reproduced in its proper form and context.

8. 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.

9. I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letter. I 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 I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

10. 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 company 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 recorded/reflected in the balance sheet/fixed assets register provided to me.

11. I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.

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12. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.

SHREYANSH M JAIN
CP No.: ICSIRVO/SFA/38
IBBI R. No.: IBBI/RV/03/2019/12124

Date:12-08-2022
Place: Surat

ANNEXURE – A

A. 90 Trading Days volume weighted average price (VWAMP) of the equity shares of Hilton Metal Forging Limited quoted on the National Stock Exchange of India Limited ('NSE') preceding the relevant date (considering relevant date as August 12, 2022):

Day	Date	WAP	No. of Share Traded	Traded Value
1	4-Apr-22	31.26	30015	9,38,416.70
2	5-Apr-22	30.78	32300	9,94,165.35
3	6-Apr-22	31.47	124627	39,22,104.10
4	7-Apr-22	33.47	196465	65,75,081.05
5	8-Apr-22	35.48	49842	17,68,544.90
6	11-Apr-22	37.27	49246	18,35,529.50
7	12-Apr-22	39.18	109816	43,02,428.50
8	13-Apr-22	40.71	295772	1,20,39,998.80
9	18-Apr-22	42.20	153158	64,62,692.50
10	19-Apr-22	42.52	114218	48,55,990.85
11	20-Apr-22	39.16	41153	16,11,454.95
12	21-Apr-22	37.95	20689	7,85,143.85
13	22-Apr-22	37.67	34461	12,98,072.55
14	25-Apr-22	37.54	12403	4,65,555.30
15	26-Apr-22	37.79	20933	7,91,034.05
16	27-Apr-22	37.83	23761	8,98,979.50
17	28-Apr-22	38.08	15725	5,98,781.75
18	29-Apr-22	36.68	22062	8,09,144.50
19	2-May-22	36.20	6093	2,20,537.40
20	4-May-22	35.85	15784	5,65,827.40
21	5-May-22	34.74	11466	3,98,334.30
22	6-May-22	33.08	5906	1,95,397.75
23	9-May-22	31.59	17513	5,53,177.55
24	10-May-22	30.67	4386	1,34,531.20
25	11-May-22	29.30	15512	4,54,449.55
26	12-May-22	28.18	27613	7,78,027.95
27	13-May-22	29.11	3450	1,00,427.60
28	16-May-22	29.88	4182	1,24,966.30
29	17-May-22	31.33	6179	1,93,612.95
30	18-May-22	33.08	21589	7,14,250.80
31	19-May-22	32.45	18725	6,07,629.55
32	20-May-22	31.46	13461	4,23,491.60
33	23-May-22	30.43	13279	4,04,091.40

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Day	Date	WAP	No. of Share Traded	Traded Value
34	24-May-22	29.13	11340	3,30,280.40
35	25-May-22	28.28	7270	2,05,576.15
36	26-May-22	27.18	5192	1,41,117.35
37	27-May-22	27.17	5999	1,62,983.00
38	30-May-22	28.44	3648	1,03,734.25
39	31-May-22	28.35	13297	3,76,984.80
40	1-Jun-22	28.74	9988	2,87,104.75
41	2-Jun-22	29.40	9361	2,75,200.05
42	3-Jun-22	29.56	9831	2,90,596.05
43	6-Jun-22	27.93	3121	87,163.65
44	7-Jun-22	26.67	4366	1,16,460.10
45	8-Jun-22	26.88	3530	94,891.65
46	9-Jun-22	26.66	3330	88,794.35
47	10-Jun-22	26.60	2353	62,578.70
48	13-Jun-22	25.79	2714	69,992.05
49	14-Jun-22	25.85	15872	4,10,364.30
50	15-Jun-22	25.94	6970	1,80,772.35
51	16-Jun-22	25.90	4523	1,17,150.55
52	17-Jun-22	25.32	6194	1,56,840.10
53	20-Jun-22	24.63	18646	4,59,228.20
54	21-Jun-22	26.61	34755	9,24,914.25
55	22-Jun-22	28.02	18274	5,12,004.15
56	23-Jun-22	27.94	91547	25,57,572.80
57	24-Jun-22	30.70	20763	6,37,475.95
58	27-Jun-22	32.16	22831	7,34,189.60
59	28-Jun-22	33.85	7881	2,66,766.85
60	29-Jun-22	35.50	5310	1,88,496.75
61	30-Jun-22	37.25	7606	2,83,323.50
62	1-Jul-22	36.72	114156	41,91,655.00
63	4-Jul-22	34.33	101331	34,78,692.85
64	5-Jul-22	34.57	311568	1,07,69,830.45
65	6-Jul-22	35.25	197167	69,49,566.45
66	7-Jul-22	37.22	206913	77,00,969.15
67	8-Jul-22	38.03	291924	1,11,02,872.00
68	11-Jul-22	38.15	271563	1,03,59,345.70
69	12-Jul-22	40.58	63421	25,73,741.45
70	13-Jul-22	40.94	214713	87,90,472.75
71	14-Jul-22	41.29	189655	78,31,289.85
72	15-Jul-22	41.77	46030	19,22,568.35
73	18-Jul-22	41.31	296604	1,22,52,969.20
74	19-Jul-22	41.80	159311	66,59,826.85

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Day	Date	WAP	No. of Share Traded	Traded Value
75	20-Jul-22	42.00	99689	41,87,415.10
76	21-Jul-22	42.76	112769	48,21,439.95
77	22-Jul-22	44.39	208437	92,53,022.10
78	25-Jul-22	45.87	321188	1,47,31,466.40
79	26-Jul-22	46.24	165095	76,34,656.00
80	27-Jul-22	45.96	41104	18,89,041.10
81	28-Jul-22	45.69	332261	1,51,81,993.10
82	29-Jul-22	46.94	340415	1,59,79,788.80
83	1-Aug-22	48.38	537660	2,60,12,632.80
84	2-Aug-22	50.70	577632	2,92,87,550.15
85	3-Aug-22	50.17	392316	1,96,82,751.10
86	4-Aug-22	51.98	346153	1,79,94,347.35
87	5-Aug-22	51.62	163706	84,49,865.90
88	8-Aug-22	51.70	213601	1,10,42,333.00
89	10-Aug-22	54.24	322685	1,75,01,318.00
90	11-Aug-22	58.33	554272	3,23,32,216.55
		Total	**9081635**	**397510066.10**

B. 10 Trading Days volume weighted average price (VWAMP) of the equity shares of Hilton Metal Forging Limited quoted on the National Stock Exchange of India Limited ('NSE') preceding the relevant date (considering relevant date as August 12, 2022):

Day	Date	WAP	No. of Share Traded	Traded Value
1.	28-Jul-22	45.69	332261	1,51,81,993.10
2.	29-Jul-22	46.94	340415	1,59,79,788.80
3.	1-Aug-22	48.38	537660	2,60,12,632.80
4.	2-Aug-22	50.70	577632	2,92,87,550.15
5.	3-Aug-22	50.17	392316	1,96,82,751.10
6.	4-Aug-22	51.98	346153	1,79,94,347.35
7.	5-Aug-22	51.62	163706	84,49,865.90
8.	8-Aug-22	51.70	213601	1,10,42,333.00
9.	10-Aug-22	54.24	322685	1,75,01,318.00
10.	11-Aug-22	58.33	554272	3,23,32,216.55
		Total	**3780701**	**193464796.80**

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