

REPORT FORMAT: V-L6 (Bank – P&M) | Version: 11.0\_2022

CASE NO: VIS(2022-23)-PL576-470-798

DATED: 21/02/2023

# VALUATION REPORT

OF

NATURE OF ASSETS	PLANT & MACHINERY
CATEGORY OF ASSETS	INDUSTRIAL
TYPE OF ASSETS	INDUSTRIAL PLANT & MACHINERY

SITUATED AT  
TATA STEEL BSL LIMITED, MERAMANDALI,  
DHENKANAL, ODISHA-759201

OWNER/S

M/S. BRACE IRON AND STEEL PRIVATE LIMITED

REPORT PREPARED FOR

STATE BANK OF INDIA, INDUSTRIAL FINANCE BRANCH, TOLSTOY MARG,  
NEW DELHI

- Corporate Valuers
- Business/ Enterprise/ Equity Valuations
- Lender's Independent Engineers (LIE)
- Techno Economic Viability Consultants (TEV)
- Agency for Specialized Account Monitoring (ASM)
- Project Techno-Financial Advisers
- Chartered Engineers
- Industry/ Trade Rehabilitation Consultants
- NPA Management
- Panel Valuer & Techno Economic Consultants for PSU Banks

In case of any query/issue/ concern or escalation you may please contact Incident Manager @ [valuers@rkassociates.org](mailto:valuers@rkassociates.org). We will appreciate your feedback in order to improve our services.

All our BSL Consultants please provide your feedback on the report within 15 days of its submission after which request will be considered to be accepted & correct.

Important Remarks are available at [www.rkassociates.org](http://www.rkassociates.org) for reference.

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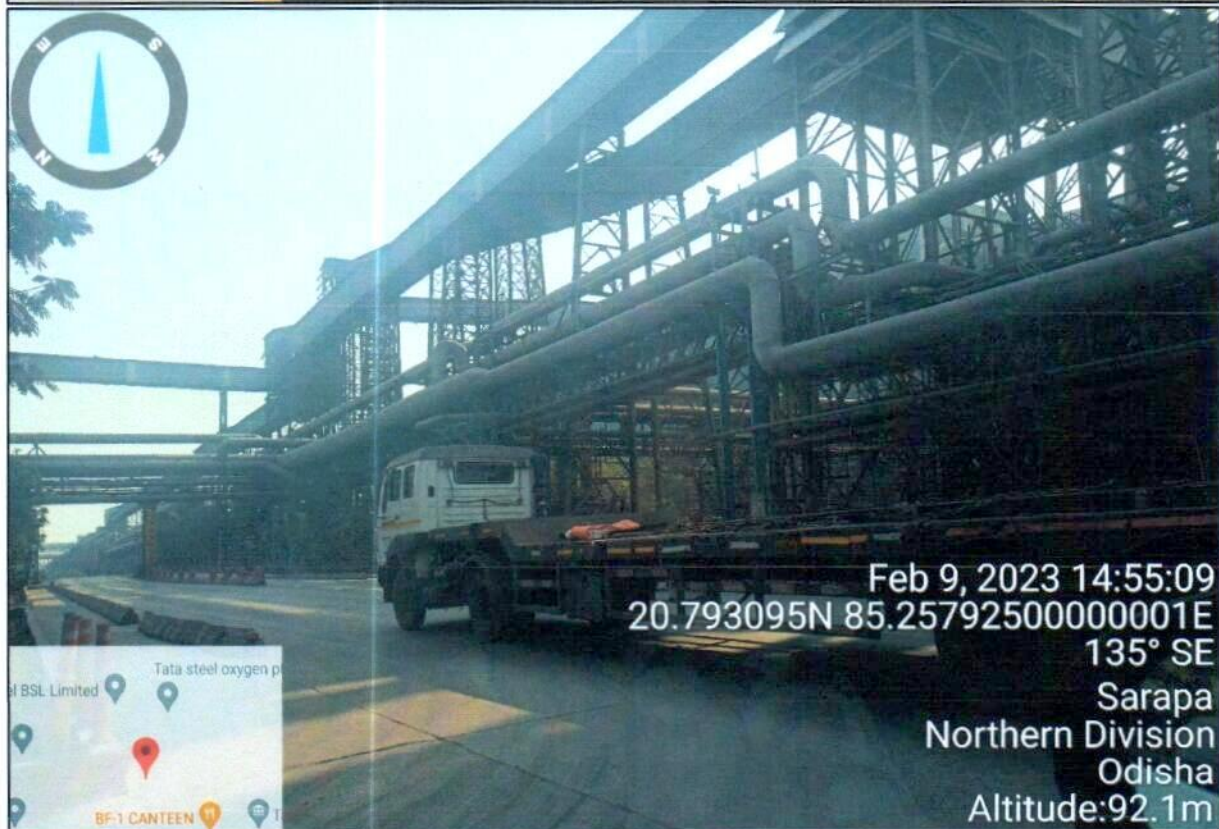
LIST OF ACRONYMS	
BISPL	Brace Iron & Steel Private Limited
BSL	Bhushan Steel Limited
TSBSLL	Tata Steel BSL Limited
TPD	Tons per day
FAR	Fixed Asset Register
NCLT	National Company Law Tribunal
MTPA	Million Tons per annum





**PART A**

**SNAPSHOT OF THE PLANT/ MACHINERY UNDER VALUATION**





**PART B**

**SUMMARY OF THE VALUATION REPORT**

S.NO.	CONTENTS	DESCRIPTION		
<b>1.</b>	<b>GENERAL DETAILS</b>			
a.	Report prepared for	Bank		
b.	Name & Address of Organization	State Bank of India, Industrial Finance Branch, Tolstoy Marg, New Delhi		
c.	Work Order No. & Date	IFB-ND/AMT-3/2022-23/136 dated 10-01-2023		
d.	Address at which machines are located	Tata Steels BSL Limited (TSBSLL), Meramandali Village, Dhenkanal, Odisha		
e.	Type of the Plant/ Machinery	Mid Scale Industrial Plant (Oxygen Plant Installed inside the Steel Processing Industry)		
f.	Nature of Industry	Air Separation Plant		
g.	Type of Valuation	Industrial Plant & Machinery Valuation		
h.	Report Type	Plain Asset Valuation		
i.	Date of Appointment	10 January 2023		
j.	Date of Inspection of the Property	9 February 2023		
k.	Date of Valuation	21 February 2023		
l.	Date of Valuation Report	21 February 2023		
m.	Plant Technical person name, contact number & designation assisted for Survey	<b>Name</b>	<b>Relationship with Owner</b>	<b>Contact Number</b>
		Mr. Sandeep Ramesh Gangurde	Company's employee	+91 7400342327
n.	Purpose of the Valuation	For Periodic Re-valuation of the mortgaged property		
o.	Scope of the Assessment	Non Binding Opinion on General Prospective Valuation Assessment of the Plant & Machineries as found on site on as-is-where basis.		
p.	Out-of-Scope of the Assessment	i. Verification of authenticity of documents from originals or cross checking from any Govt. dept. is not done at our end. ii. Legal aspects & rights of the Stocks/Inventory are out-of-scope of this report. iii. Preparing inventory list of stock is out of scope of work. iv. Componentization of stocks is out of scope of this report. v. Identification of the Stocks is only limited to cross verification of major machines & production lines. vi. Technical/ mechanical/ operational testing of the machines is out-of-scope of the report. vii. Comment/ determination on technological aspect is out of scope of this report. viii. Any kind of machine/ process design is out of scope of the report.		
q.	Information provided/ available for assessment	<b>Documents Requested</b>		<b>Documents Provided</b>
		<b>Total 03 documents requested.</b>		<b>Total 04 documents provided.</b>
		Detailed Register/	Fixed Asset Inventory Sheet	Plant and Machinery Sheet





		Agreement(s)	Lease Agreement
		Invoices/ Bills	Agreement to transfer certain equipments Audited Balance Sheets
r.	Details of the Person providing the Information	<b>Name</b>	Preeti Jain
		<b>Contact Number</b>	+91-8392818000
		<b>Email id</b>	<a href="mailto:preeti.jain1@sbi.co.in">preeti.jain1@sbi.co.in</a>
s.	Manner in which identification of the Assets is done	<input checked="" type="checkbox"/> Cross checked from the name of the machines mentioned in the old valuation report/invoice list name plate displayed on the machine	
		<input checked="" type="checkbox"/> Identified by the Owner's representative	
		<input type="checkbox"/> Identified from the available Invoices	
		<input type="checkbox"/> Identification of the machines could not be done properly	
		<input type="checkbox"/> Due to large number of inventory, only major inventory have been checked	
		<input type="checkbox"/> Physical inspection of the machines could not be done	

<b>2.</b>	<b>VALUATION SUMMARY</b>	
a.	<b>Total Prospective Fair Market Value</b>	<b>Rs.623.00 Cr.</b>
b.	<b>Total Expected Realizable</b>	<b>Rs.530.00 Cr.</b>
c.	<b>Distress Value</b>	<b>Rs.467.00 Cr.</b>

<b>3.</b>	<b>ENCLOSURES</b>	
a.	<b>Part A</b>	<b>SNAPSHOT OF THE PLANT/ MACHINERY UNDER VALUATION</b>
b.	<b>Part B</b>	<b>SUMMARY OF THE VALUATION REPORT</b>
c.	<b>Part C</b>	<b>CHARACTERISTICS DESCRIPTION OF PLANT/ MACHINERY</b>
d.	<b>Part D</b>	<b>PROCEDURE OF VALUATION ASSESMENT</b>
e.	<b>Part E</b>	<b>Procedure of Valuation Assessments</b>
f.	Enclosure 1	Google Map – Page No.21
g.	Enclosure 2	Photographs – Pages 22
h.	Enclosure 3	Valuer's Important Remarks





**PART C**

**CHARACTERISTICS DESCRIPTION OF PLANT/ MACHINERY**

S.NO.	CONTENTS	DESCRIPTION	
1.	TECHNICAL DESCRIPTION OF THE PLANT/ MACHINERY		
a.	Nature of Plant & Machinery	Air Separation Plant (Oxygen, Nitrogen and Argon on Gaseous and Liquid Form)	
b.	Size of the Plant	Medium scale Plant	
c.	Type of the Plant	Fully Automatic	
d.	Year of Installation/ Commissioning/ COD (Commercial Operation Date)	2014	
e.	Production Capacity (Oxygen)	Plant-1: 340 TPD Plant-2: 405 TPD Plant-3: 1,200 TPD Plant-4:1,120 TPD	
f.	Capacity at which Plant was running at the time of Survey	~98%	
g.	Number of Production Lines	4	
h.	Condition of machines	Good.	
i.	Status of the Plant	Fully operational	
j.	Products Manufactured in this Plant	Main Product: Oxygen Byproducts: Nitrogen and Argon on Gaseous and Liquid Form	
k.	Recent maintenance carried out on	Details are not available	
l.	Recent upgradation, improvements if done any	None	
m.	Total Gross Block & Net Block of Assets	Gross Block	Net Block
		Balance Sheet As on 31 <sup>st</sup> March 2018	
		Rs.952.50 Cr.	Rs.766.21 Cr.
n.	Any other Details if any	As per the information shared during the previous valuation assessment, Gross Block shared for the valuation purpose was Rs. 970.11 Cr. Inclusive of Pre-operative, Finance, and IDC Charges, etc. (as per old valuation report) v/s the gross block mentioned in the balance sheet was Rs.952.50 Cr.	
2.	BRIEF DESCRIPTION OF THE ASSET UNDER VALUATION		
	This Report is prepared to do the physical asset valuation assessment of 4 no. of Oxygen Plants installed at the premises of M/s Tata Steel BSL Limited (TSBL) located at aforesaid address and are owned by BISPL. Configuration of the same has been tabulated below:		





M/s Brace Iron and Steel Private Limited (BISPL) has purchased 4 no. of Oxygen Plants from Bhushan Steel's Ltd. (now known as TSBL) in a lease back arrangement on 23.02.2015 for total sale amount of Rs.1,000 Cr. Further, BISPL has entered into a lease agreement with BSL for the lease of 4 no. of Oxygen Plants to BSL for the operation of the 5.6 MTPA Integrated Steel Plant at aforesaid address. The lease of the equipment's shall commence for a period of 10 years from the date of handover date i.e. 26.02.2015. Once the lease is expired it may further be activated prior 3 month notice. Also, BISPL will be receiving monthly rent from BSL (now TSBL) of Rs.15 cr. per month for first 5 years and thereafter Rs.18 cr. per month for next 5 years. So in the initial 5 years company will be receiving rent @18% PA.

Subsequently, BSL was admitted in New Delhi bench of NCLT for the company under insolvency and bankruptcy code 2016. Under the insolvency proceedings BSL was acquired by M/s Tata Steels Limited therefore, M/s Bhushan Steel Limited has become TSBL. As per the information available, as on date monthly rent are paid up by TSBL.

Major machinery and equipment valued in this report are:

S. No.	Description of Equipments	Related To
1	Main air compressor	1200 TPD
2	Main air compressor - Motor	1200 TPD
3	DCAC/ Chilled Water pumps	1200 TPD
4	Air water exchanger	1200 TPD
5	Main heat exchanger	1200 TPD
6	Refrigeration unit	1200 TPD
7	Adsorbbers - Radial type with Alumina & Molecular sieve	1200 TPD
8	Regeneration heater	1200 TPD
9	Distillation Columns/ Cold Box (SS Cold box with Perlite insulation)	1200 TPD
10	Expansion turbiness with booster compressors (ET01/ ET02)	1200 TPD
11	LOX/ LAR Process pumps	1200 TPD
12	Nitrogen compressors	1200 TPD
13	Nitrogen compressors - Motors	1200 TPD
14	Liquid waste disposal system	1200 TPD
15	Cooling Tower	1200 TPD & 1120 TPD
16	Cooling Water pumps / Motors	1200 TPD & 1120 TPD
17	Liquid Oxygen Storage Tank - 5000Ts (Capacity)	1200 TPD & 1120 TPD
18	Liquid Nitrogen Storage Tank - 2000Ts (Capacity)	1200 TPD & 1120 TPD
19	Liquid Argon Storage tank - 700 Ts	1200 TPD & 1120 TPD
20	Liquid Oxygen Vaporiser (for conversion of liquid to gas) - 66000 Nm 3/hr	1200 TPD & 1120 TPD
21	Liquid Nitrogen Vaporiser (for conversion of liquid to gas) - 24000 Nm 3/hr	1200 TPD & 1120 TPD
22	Liquid Argon Vaporiser (for conversion of liquid to gas) - 2500 Nm 3/hr	1200 TPD & 1120 TPD
23	Liquid Oxygen back up pumps X 3 Nos.	1200 TPD & 1120 TPD





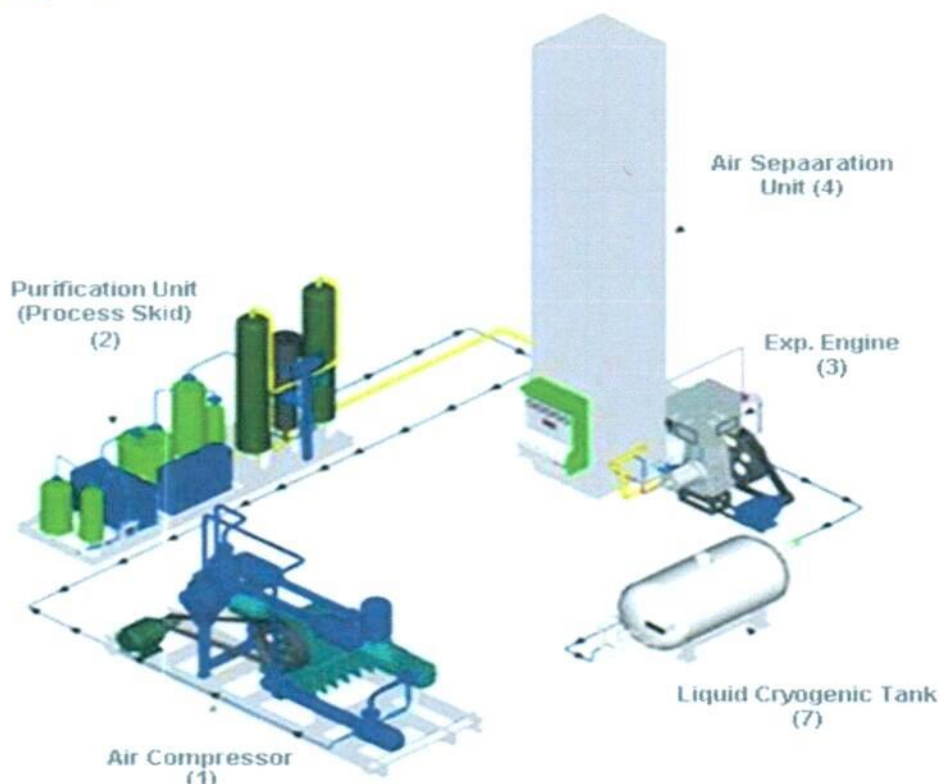
24	Liquid Nitrogen back up pumps X 3 Nos.	1200 TPD & 1120 TPD
25	Liquid Argon back up pumps X 2 Nos.	1200 TPD & 1120 TPD
26	Gaseous Oxygen Pressure Reducing Stations	1200 TPD & 1120 TPD
27	Nitrogen Pressure Reducing Stations	1200 TPD & 1120 TPD
28	Argon Pressure Reducing Stations	1200 TPD & 1120 TPD
29	Main air compressor	1120 TPD
30	Main air compressor - Motor	1120 TPD
31	Booster Air compressor	1120 TPD
32	Booster Air compressor - Motor	1120 TPD
33	Adsorbbers - with Alumina & Molecular sieve	1120 TPD
34	Direct contact after cooler	1120 TPD
35	Evaporative cooler	1120 TPD
36	Regeneration heater	1120 TPD
37	Distillation Columns/ Cold Box (Aluminium Cold box with Perlite insulation)	1120 TPD
38	Main heat exchangers	1120 TPD
39	High pressure LOX run tank	1120 TPD
40	High pressure Liquid Nitrogen run tank	1120 TPD
41	Expansion Turbine/ Generator	1120 TPD
42	Liquid Nitrogen/ Liquid Argon Process pumps	1120 TPD
43	Waste disposal system	1120 TPD
44	Inter Plant Piping Pressure Reducing Station System	Common facility
45	Main air compressor	405 TPD
46	Main air compressor - Motors	405 TPD
47	Booster air compressor - Motors	405 TPD
48	Booster air compressor - Motors	405 TPD
49	Main heat exchanger	405 TPD
50	Adsorber vessels	405 TPD
51	Expansion turbine with booster compressor	405 TPD
52	Distillation columns (SS Cold box with Perlite insulation)	405 TPD
53	LOX Process Pumps	405 TPD
54	LOX Storage tank - 1000KL	405 TPD
55	Chiller	405 TPD
56	GOX PRS	405 TPD
57	Nitrogen Compressor	405 TPD
58	Cooling water pump	405 TPD
59	LIN Storage tank - 51 KL	405 TPD
60	LIN Storage tank - 21 KL	405 TPD
61	LAR Storage tank - 41 KL	405 TPD
62	Main air compressor	340 TPD
63	Main air compressor - Motors	340 TPD
64	Adsorber vessels	340 TPD
65	Direct contact after cooler	340 TPD
66	Evaporative cooler	340 TPD
67	Main heat exchanger	340 TPD
68	Distillation columns (SS Cold box with Perlite insulation)	340 TPD
69	Expansion Turbine	340 TPD
70	Tanker filling pumps	340 TPD & 405 TPD
71	Oxygen Compressor	340 TPD
72	Nitrogen Compressor	340 TPD
73	Cooling water pump	340 TPD





74	Cooling Tower	405 TPD & 340 TPD
75	Cooling Water pumps	405 TPD & 340 TPD
76	Chiller	340 TPD
77	Gaseous Oxygen Pressure Reducing Stations	340 TPD
78	Buffer vessel - 250KL (Gaseous Oxygen )	Common facility
79	Buffer vessel - 250KL (Gaseous Oxygen )	Common facility
80	Buffer vessel - 250KL (Gaseous Nitrogen )	Common facility
81	Buffer vessel - 250KL (Gaseous Nitrogen )	Common facility
82	Buffer vessel - 100KL (Gaseous Argon )	Common facility
83	Buffer vessel - 100KL (Gaseous Oxygen )	Common facility
84	Other related allied equipment (such as Ducts, Pipes, Cables (Power and Optical), Transformers, MCB Panels, Power Distribution Equipment, Lubrication Systems, DCS and PLC Systems, Control Valves, Manual Valves and Safety Valves, Pressure Reducing Stations, Product Compressors, Air Compressors, Pumps, Analyzers, Air Conditioning Equipments, DG Sets, Air Filtration Systems, Heaters)	
85	Ancillary Installation Equipment	

### Process Flow Diagram:



For the purpose of the assessment we have not got any Fixed Asset Register from the company. **Only consolidated original capitalization amount for each Unit has been informed to us over email during the previous valuation assessment which has been made the basis of this assessment.** Further, Sale Agreement dated: 23.02.2015 from BSL to BISPL has been for the sale of plant & equipment's and lease agreement between BISPL & BSL has been provided to us.

All these units are located within the premise of the plant owned by TSBL. During the time of site visit conducted by our engineering team on 09<sup>th</sup> February 2023, all the plants were operational. Also, as per





	the information gathered, 340 TPD Oxygen plant was originally purchased as refurbished unit having original manufacturing year in 1970 and refurbished in 2009.	
<b>3.</b>	<b>TECHNOLOGY TYPE/ GENERATION USED AND TECHNOLOGICAL COLLABORATIONS IF ANY</b>	
a.	Technology Type/ Generation Used in this Plant	As per the information available, these machines and equipment are of Make Linde & Air Liquide which works on Cryogenic Oxygen Producing process.
b.	Technological Collaborations If Any	No
c.	Current Technology used for this Industry in Market	Same
<b>4.</b>	<b>RAW MATERIALS REQUIRED &amp; AVAILABILITY</b>	
	Type of Raw Material	Atmospheric Air and Electricity
	Availability	Easily Available
<b>5.</b>	<b>AVAILABILITY &amp; STATUS OF UTILITIES</b>	
	Power/ Electricity	Available
	Water	Available
	Road/ Transport	Available
<b>6.</b>	<b>COMMENT ON AVAILABILITY OF LABOUR</b>	
	Availability	Appears to be easily & adequately available and no labour issues came to our knowledge during site inspection.
	Number of Labours working in the Factory	12 (Total resources of the subject company)
<b>7.</b>	<b>SALES TRANSACTIONAL PROSPECTS OF SUCH PLANTS/ MACHINERY</b>	
	Strategic Sale as part of the ongoing concern company.	
	<b>Reason:</b> This is a Large Scale Plant and can only be sold only as an Integrated Industry to preserve its value since complete process line & machines are special purpose machines and can't be used in any other Industry. So, for fetching maximum value is through strategic sale to the players who are already into same or similar Industry who have plans for expansion or any large conglomerate who plans to enter into this new Industry	
<b>8.</b>	<b>DEMAND OF SUCH PLANT &amp; MACHINERY IN THE MARKET</b>	
	Appears to be good as per general information available in public domain.	
<b>9.</b>	<b>INSPECTION/ SURVEY DETAILS</b>	
a.	Plant has been surveyed by our Engineering Team on 09/02/2023 being experienced and expert in such kind of industry.	
b.	Site inspection was done in the presence of Owner's representative. Mr. Sandeep Ramesh Gangurde who was available to furnish any specific detail about the machines.	
c.	Our team examined & verified the machines from the list provided to us.	
d.	Photographs inside the subject premise were not allowed.	
e.	Plant was found to be fully operational at the time of survey. Most of the major machinery and equipments as mentioned in the copy of machinery list shared with us has been verified.	
f.	Details have been cross checked as per the machine list provided to us by the company and what was observed at the site.	





g.	Condition of the machines is checked through visual observation only. No technical/ mechanical/ operational testing has been carried out to ascertain the condition and efficiency of machines.
h.	Site Survey has been carried out on the basis of the physical existence of the assets rather than their technical expediency.
i.	As per the overall site visit summary, machine appeared to be in good condition.





**PART D**

**PROCEDURE OF VALUATION ASSESMENT**

1.		GENERAL INFORMATION			
i.	Important Dates	Date of Appointment	Date of Inspection of the Property	Date of Valuation Assessment	Date of Valuation Report
		10 January 2023	9 February 2023	21 February 2023	21 February 2023
ii.	Client	State Bank of India, Industrial Finance Branch, Tolstoy Marg, New Delhi			
iii.	Intended User	State Bank of India, Industrial Finance Branch, Tolstoy Marg, New Delhi			
iv.	Intended Use	To know the general idea on the market valuation trend of the property as per free market transaction. This report is not intended to cover any other internal mechanism, criteria, and considerations of any organization as per their own need, use & purpose.			
v.	Purpose of Valuation	For Periodic Re-valuation of the mortgaged property			
vi.	Scope of the Assessment	Non binding opinion on the assessment of Plain Physical Asset Valuation of the property identified to us by the owner or through his representative.			
vii.	Restrictions	This report should not be referred for any other purpose, by any other user and for any other date other then as specified above.			
viii.	Manner in which identification of the Assets is done	<input checked="" type="checkbox"/>	Cross checked from the name of the machines mentioned in the FAR/ Inventory list name plate displayed on the machine		
		<input checked="" type="checkbox"/>	Identified by the Owner's representative		
		<input type="checkbox"/>	Identified from the available Invoices		
		<input type="checkbox"/>	Identification of the machines could not be done properly		
		<input type="checkbox"/>	Due to large number of machines/ inventories, only major production lines & machines have been checked		
		<input type="checkbox"/>	Enquired from local residents/ public		
		<input type="checkbox"/>	Physical inspection of the machines could not be done		
ix.	Type of Survey conducted	Full survey (inside-out for verification of assets with photographs)			

2.		ASSESSMENT FACTORS		
i.	Valuation Standards considered	Mix of standards such as IVS and others issued by Indian authorities & institutions and improvised by the RKA internal research team as and where it is felt necessary to derive at a reasonable, logical & scientific approach. In this regard proper basis, approach, working, definitions considered is defined below which may have certain departures to IVS.		
ii.	Nature of the Valuation	Physical Assets Valuation		
iii.	Nature/ Category/ Type/ Classification of Asset under Valuation	Nature	Category	Type
		PLANT & MACHINERY	INDUSTRIAL	INDUSTRIAL PLANT
		Classification	Only business use asset	





iv.	Type of Valuation (Basis of Valuation as per IVS)	Primary Basis	Fair Market Value			
		Secondary Basis	On-going concern basis			
v.	Present market state of the Asset assumed (Premise of Value as per IVS)	Under Normal Marketable State				
		Reason: Asset under free market transaction state				
vi.	Physical Infrastructure availability factors of the locality	Water Supply	Sewerage/ sanitation system	Electricity	Road and Public Transport connectivity	
		Yes	Underground	Yes	Easily available	
		Availability of other public utilities nearby		Availability of communication facilities		
		Transport, Market, Hospital etc. are available in close vicinity		Major Telecommunication Service Provider & ISP connections are available		
vii.	Neighbourhood amenities	Good				
viii.	Any New Development in surrounding area	None		None		
ix.	Any specific advantage/ drawback in the plant and machines	The subject plants are installed inside the premise of another plant and the oxygen produced can only be utilized by TSBL.				
x.	Machines overall usability/ utility Factor	Normal				
xi.	Subject Industrial sector/ product manufactured outlook	Fair				
xii.	Best Sale procedure to realize maximum Value (in respect to Present market state or premise of the Asset as per point (iv) above)	Fair Market Value				
		Free market transaction at arm's length wherein the parties, after full market survey each acted knowledgeably, prudently and without any compulsion.				
xiii.	Hypothetical Sale transaction method assumed for the computation of valuation	Fair Market Value				
		Free market transaction at arm's length wherein the parties, after full market survey each acted knowledgeably, prudently and without any compulsion.				
xiv.	Approach & Method of Valuation Used	Approach of Valuation			Method of Valuation	
		Cost Approach			Depreciated Replacement Cost Method	
xv.	Type of Source of Information	Level 3 Input (Tertiary)				
xvi.	Any other aspect which has relevance on the value or marketability of the machines	The marketability for the machines depends upon the industry outlook, make, market condition, raw material, maintenance, raw material, usability, capacity.				
		This Valuation report is prepared based on the facts of the assets & market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time & socio-economic conditions prevailing in the region/ country. In future assets market may go down, asset conditions may change or may go worse, plant vicinity conditions may go down or become worse, plant sector outlook				





may change due to impact of Govt. policies or effect of domestic/ world economy, usability prospects of the Plant may change, etc. Hence user of this report should take into consideration all such future risk while taking any business decision.

xvii. **Basis of computation & working**

xviii. **Main Basis:**

- a. **Basic Methodology:** For arriving at fair market value of inventory/stocks, our engineering team has applied 'Cost Approach (Depreciated Replacement Cost Method) & sales comparison approach (market approach)'. The fair market value of machines on the date of valuation is its cost of reproduction depending upon their Technical, Economic, Functional specifications.
- b. Machine Valuation is done keeping in mind various factors like technology used, machines availability, its condition, average age, maintenance & service and parts replacement availability of the machines and more importantly demand in the market.
- c. Provided Capitalization cost include soft cost incurred during the Project establishment like Pre-operative, IDC & Finance cost expenses also. On our request we have not got break-up of hard & soft cost separately hence we have to go by the given figure.
- d. Replacement cost has been taken based on the independent market research from public domain or used machinery dealers or Project consultants.
- e. Major machinery valued in this report are Main Air Compressor, Refrigeration Unit, Nitrogen Compressors, Cooling Tower, Liquid Oxygen Storage Tanks, Turbine Generator, Absorbers, Main heat Exchangers, Chillers, etc.
- f. We have arrived replacement cost of machines for which list of machinery is available and those machines which were physically verified on site.
- g. We have also explored secondary market for the price of new machines available.
- h. No further obsolescence/ deterioration or maintenance factor has been applied on the Depreciated Replacement Cost (DRC) since the Depreciated Replacement Cost (DRC) looks to be in line with the estimated Prospective Fair Market Value.
- i. **Underline assumption** for the valuation of these machines is that it can be sold individually in market since demand of used & second hand machinery of this type is available in the market.
- j. Market & Industry scenario is also explored for demand of such Plants and it is found that many other packing & printing plants are also present in different states of the India.
- k. Valuation of the asset is done as found on as-is-where basis on the site as identified to us by banker during site inspection by our engineer/s unless otherwise mentioned in the report.
- l. The valuation of the Plant/ Machinery has been done considering the plant as a whole.
- m. Valuation of the machine is done taking into consideration that whether it is specific purpose machines or general used machines.
- n. The cost of equipment considered from P&M List includes Pre-operative, Finance, and IDC Charges etc. The capitalized/ purchase cost of machinery considered consists of final commissioning of machines which includes freight, taxes, insurance, etc.

**Other Basis:**

- o. Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.
- p. The indicative value has been suggested based on the prevailing market rates that came to our knowledge during secondary & tertiary market research and is not split into formal & informal payment arrangements. Most of the deals takes place which includes both formal & informal payment components. Deals which takes place in complete formal payment component may realize relatively less actual transaction value due to inherent added tax, stamp registration liabilities on the buyer.





- q. Secondary/ Tertiary costs related to asset transaction like Installation, maintenance and Logistics costs pertaining to the sale/ purchase of the assets are not considered separately while assessing the indicative estimated Market Value and is assumed to be included in the Cost of capitalization provided by the client.
- r. The condition assessment and the estimation of the residual economic life of the machinery and assets are only based on the visual observations and appearance found during the site survey. We have not carried out any physical tests to assess the working and efficiency of the machines and assets.
- s. Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset or on its owners has not been factored in the Valuation.
- t. Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown to us on site of which some reference has been taken from the information/ data given in the copy of documents provided to us which have been relied upon in good faith and we have assumed that it to be true and correct.

**xix. ASSUMPTIONS**

- a. Information/ Data provided by the client/ property owner or his representative both written & verbally is true and correct without any fabrication and has been relied upon in good faith.
- b. The assets and interests therein have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject assets or their ownership are assumed to exist. No opinion of title is rendered in this report and a good title is assumed unless stated otherwise.
- c. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
- d. Payment condition during transaction in the Valuation has been considered on all cash basis which includes both formal & informal payment components as per market trend.
- e. Sale transaction method of the asset is assumed as Free market transaction without any compulsion unless otherwise mentioned while assessing Indicative & Estimated Fair Prospective Market Value of the asset unless otherwise stated.

**xx. SPECIAL ASSUMPTIONS**

None

**xxi. LIMITATIONS**

Production data, maintenance record of the machines are not shared with us. Thus, we cannot comment upon the full functionality of the plant. However, it was informed during the site visit that the plant is running at ~98% capacity.  
Limited and inadequate information available from the customer. as the FAR is not shared with us so we rely on the gross block shared on e-mail during the valuation assessment done in the year 2018.





PLANT & MACHINERY VALUATION					
Sr. No.	Particular	Date of Capitalization/ the Asset was put to use	Original Cost of Asset (INR Cr.)	GCRC (INR Cr.)	Fair Value (INR Cr.)
1	Oxygen Plant of 1120 & 1200 TPD with accessories	17-02-2015	849.25	997.60	525.29
2	Oxygen Plant of 340 & 405 TPD with accessories	27-03-2011	120.87	320.35	97.49
<b>Total</b>			<b>970.11</b>	<b>1,317.95</b>	<b>622.78</b>

**Notes-**

1. Machinery and Equipment wise cost of capitalization is not available with the Bank/Company, Consolidated cost of capitalization for 2,320 TPD (1,120 TPD & 1,200 TPD) and 745 TPD (340 TPD & 405 TPD) plants were provided to us by the company based on which we have assessed the fair market value of the assets.
2. For evaluating useful life for calculation of depreciation, Schedule-II of companies act 2013 is referred, usually economic life of such assets is considered as ~20 years. The same has been adopted for the valuation assessment.
3. Cost inflation index has been considered in the valuation assessment of plant and machinery and other categories.
4. Cost of setting up a similar oxygen plant (Reproduction Cost) have also been evaluated based on the market comparables available in our database and public domain. The Plant & machinery component in these references are found in the range of Rs.35.00 Lakhs to Rs.55.00 Lakhs per TPD. Therefore, looking at the market and economic outlook of the subject plant a rate of Rs. 43.00 Lakhs per TPD has been considered fair and reasonable for the purpose of this valuation of the subject plant.
5. Since, fluctuation has happened in the prices of metals and industrial commodities which is considered in the assessment. Annexures are attached at the end of the report.
6. The. Since breakup of hard cost and soft cost was not available with JUSL.
7. Site Survey has been carried out on the basis of the Physical existence of the assets rather than their technical expediency.
8. FAR was not provided to us instead a list of machinery attached in the lease agreement as 'Schedule 1' was shared. It does not contain item-wise capitalization cost, date of capitalization, item description, make/model etc. When asked from the company officials, a consolidated original capitalization amount for Oxygen Plant of 1120 & 1200 TPD with accessories and Oxygen Plant of 340 & 405 TPD with accessories was shared with us over an e-mail.
9. It is assumed that cost of equipment considered includes Pre-operative, Finance, and IDC Charges etc. Capitalization of Soft Cost (Pre-operative, Interest, Finance Charge etc.) related to Plant & Machinery is done consolidate with the hard cost
10. Since, the latest FAR has not been shared with us, the above-mentioned critical data inputs were extracted from our previous valuation report submitted which are assumed to be fair and are relied upon in this valuation assessment.
11. The physical condition of the machinery of the refurbished plant was found to be average and it require repair and maintenance. Further, the lease agreement is going to expire in the year 2025 (2 years from now), since, it is renewable an appropriate discount have been applied on DRC to arrive at Fair Market Value of the plant.





4. CONSOLIDATED VALUATION ASSESSMENT OF THE PLANT AND MACHINERY			
S. No.	Particulars	Book Value	Indicative & Estimated Prospective Fair Market Value
a.	Plant & Machinery Value	Rs.766.21 Cr.	Rs.622.78 Cr.
b.	Additional Premium if any	NA	NA
	Details/ Justification	NA	NA
c.	Deductions charged if any	---	NA
	Details/ Justification	---	NA
d.	<b>Total Indicative &amp; Estimated Prospective Fair Market Value</b>	<b>Rs.766.21 Cr.</b>	<b>Rs.622.78 Cr.</b>
e.	<b>Rounded Off</b>	<b>Rs.766.21 Cr.</b>	<b>Rs.623.00 Cr.</b>
f.	<b>Indicative &amp; Estimated Prospective Fair Market Value in words</b>	<b>Rupees Six Hundred and Twenty Three Crores Only/-</b>	
g.	<b>Expected Realizable Value (@ ~15% less)</b>	---	<b>Rs.530.00 Cr.</b>
h.	<b>Expected Distress Sale Value (@ ~25% less)</b>	---	<b>Rs.467.00 Cr.</b>
i.	<b>Concluding Comments/ Disclosures if any</b>		
	a. We are independent of client/ company and do not have any direct/ indirect interest in the property. b. This valuation has been conducted by R.K Associates Valuers & Techno Engineering Consultants (P) Ltd. and its team of experts. c. This Valuation is done for the property found on as-is-where basis as shown on the site by the Bank/ customer of which photographs is also attached with the report. d. Reference of the property is also taken from the copies of the documents/ information which interested organization or customer could provide to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct. However we do not vouch the absolute correctness of the property identification, exact address, physical conditions, etc. based on the documents provided to us since property shown to us may differ on site Vs as mentioned in the documents or incorrect/ fabricated documents may have been provided to us. e. Legal aspects for eg. investigation of title, ownership rights, lien, charge, mortgage, lease, verification of documents from originals or from any Govt. department, etc. has to be taken care by legal experts/ Advocates and same has not been done at our end. f. The valuation of an asset is an estimate of the worth of that asset which is arrived at by the Valuer in his expert opinion after factoring in multiple parameters and externalities. This may not be the actual price of that asset and the market may discover a different price for that asset. g. This report only contains opinion based on technical & market information which came to our knowledge during the course of the assignment. It doesn't contain any recommendations. h. This report is prepared following our Standard Operating Procedures & Best Practices and will be subject to Limitations, Conditions, Valuer's Remarks, Important Notes, Valuation TOS and basis of		



computation & working as described above.

- i. The use of this report will become valid only after payment of full fees as per the Payment Terms. Using this report or any part content created in this report without payment of charges will be seen as misuse and unauthorized use of the report.

j. **IMPORTANT KEY DEFINITIONS**

**Fair Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of the assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.

Fair Value without using the term "Market" in it describes that the value suggested by the Valuer may not mandatorily follow or may not be in complete consonance to the established Market in his expert opinion. It may or may not follow market dynamics. But if the suggested value by the valuer is not within the prevailing Market range or is assessed for an asset is located in an un-established Market then the valuer will give reasonable justification & reasoning that for what reasons the value suggested by him doesn't follow the prevailing market dynamics.

**Fair Market Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice in consonance to the Market dynamics after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.

Here the words "in consonance to the established Market" means that the Valuer will give opinion within the realms & dynamics of the prevailing market rates after exhaustively doing the micro market research. However due to the element of "Fair" in it, valuer will always look for the factors if the value should be better than the market realms which is just & equitable backed by strong justification and reasoning.

**Market Value** suggested by the competent Valuer is that prospective estimated amount which is average price of the similar comparable assets prevailing in an open & established market during the near period of the date of valuation at which the subject asset/ property should be exchanged between a willing buyer and willing seller on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities at an arm's length transaction in an open, established & unrestricted market, in an orderly transaction, wherein the parties, each acted without any compulsion on the date of the Valuation.

Using the term "Market Value" without "Fair" omits the elements of proper marketing, acting knowledgeably & prudently.

Market and market participants can be sentimental, inclined towards the transaction without the element of complete knowledge & prudence about facts or due diligence of the asset therefore "each acted knowledgeably, prudently" has been removed from the market Value definition.

**Realizable Value** is that minimum prospective estimated value of the asset/ property which it may be able to fetch at the time of actual property transaction factoring in the element of discount due to the prospects of deep negotiations between the buyer & seller when the parties in-principally find Fair Market Value





reasonable and sits together to close the deal and the transaction across the table. Discount percentage on the Fair Market Value due to negotiation will depend on the nature, size, various salability prospects of the subject asset, the needs of the buyer & the seller and kind of payment terms. In some of the cases Realizable and Fair Market Value may also be equal.

**Distress Sale Value\*** is that value when the property is attached with any process such as mortgaged financing, financial or operational dues which is under any stress condition or situation and the stakeholders are under process of finding resolution towards it to save the property from being attached to a formal recovery process. In this type of sale, minimum fetch value assessed will always be less than the estimated Fair Market Value where the discount of percentage will depend upon various circumstances and factors such as nature, size, salability prospects of the property and kind of encumbrance on the property. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the property will be more on the seller than the buyer.

**Liquidation Value** is the amount that would be realized when an asset or group of assets are sold due to any compulsion or constraints such as in a recovery process guided by statute, law or legal process, clearance sale or any such condition or situation thereof where the pressure of selling the asset/ property is very high to realize whatever maximum amount can be from the sale of the assets in a limited time for clearance of dues or due to closure of business. In other words, this kind of value is also called as forced sale value.

**Difference between Cost, Price & Value:** Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also having different definitions in professional & legal terms. Therefore, it is our professional responsibility to describe the definitions of these words to avoid ambiguity & confusion in the minds of the user of this report.

The **Cost** of an asset represents the actual amount spend in the construction/ actual creation of the asset.

The **Price** is the amount paid for the procurement of the same asset.

The **Value** is defined as the present worth of future rights in the property/ asset and is a hypothetical or notional price that buyers and sellers are most likely to conclude for a good or service. Value is not a fact, but an estimate of the likely price to be paid for a good or service at a given time in accordance with a particular definition of value.

Therefore, in actual for the same asset/ property, cost, price & value remain different since these terms have different usage & meaning.

k. **Enclosures with the Report:**

- Enclosure: I – Google Map Location
- Enclosure: II – Photographs of the property
- Enclosure III – Valuer's Important Remarks





## IMPORTANT NOTES

**DEFECT LIABILITY PERIOD** - In case of any query/ issue or escalation you may please contact Incident Manager by writing at [valuers@rkassociates.org](mailto:valuers@rkassociates.org). We try our level best to ensure maximum accuracy in the Calculations done, Rates adopted and various other data points & information mentioned in the report but still can't rule out typing, human errors, assessment or any other mistakes. In case you find any mistake, variation, discrepancy or inaccuracy in any data point mentioned in the report, please help us by bringing all such points into our notice in writing at [valuers@rkassociates.org](mailto:valuers@rkassociates.org) within 30 days of the report delivery, to get these rectified timely, failing which R.K Associates shouldn't be held responsible for any inaccuracy in any manner. Also, if we do not hear back anything from you within 30 days, we will assume that the report is correct in all respect and no further claim of any sort will be entertained thereafter. We would welcome and appreciate your feedback & suggestions in order to improve our services.



Our **DATA RETENTION POLICY** is of **ONE YEAR**. After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.

**COPYRIGHT FORMAT** - This report is prepared on the copyright format of R.K Associates to serve our clients in the best possible way. Legally no one can copy or distribute this format without prior approval from R.K Associates. It is meant only for the organization as mentioned on the cover page of this report. Distribution or use of this format or any content of this report wholly or partially other than R.K Associates will be seen as unlawful act and necessary legal action can be taken against the defaulters.

**NOTE:** As per IBA Guidelines in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.

**At our end we have not verified the authenticity of any documents provided to us. Bank is advised to verify the genuineness of the property documents before taking any credit decision.**

**Valuation Terms of Services & Valuer's Important Remarks are available at [www.rkassociates.org](http://www.rkassociates.org) for reference.**

SURVEY ANALYST	VALUATION ENGINEER	L1/ L2 REVIEWER
Anirban Roy and Rajat Choudhary	Adil Afaque	Ashish Sawe
		





## ENCLOSURE: 1- GOOGLE MAP LOCATION

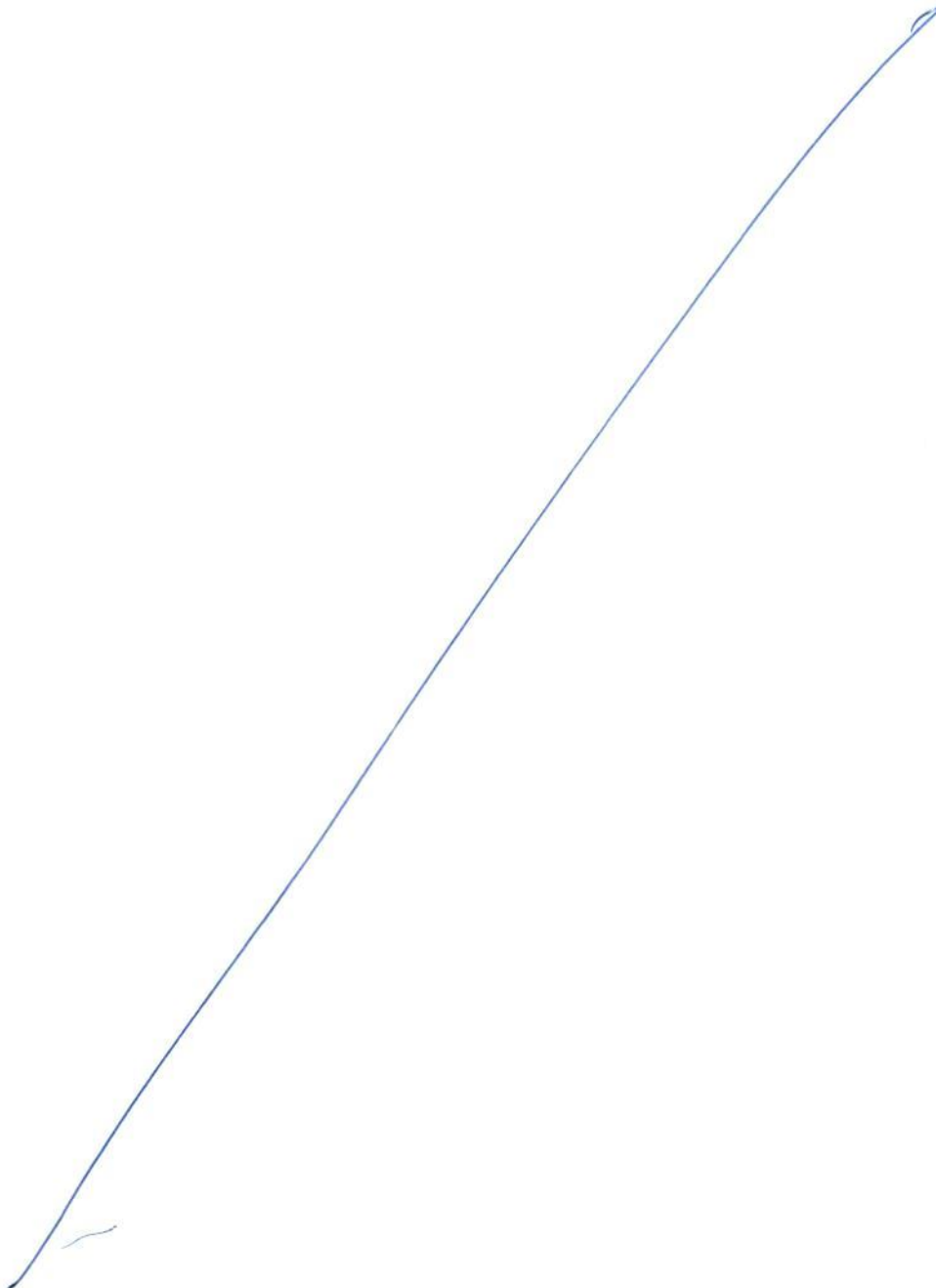




**ENCLOSURE: 2- PHOTOGRAPHS OF THE PROPERTY**

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**Photographs were not allowed inside the premise**





## ENCLOSURE 3 – REFERENCES FROM THE PUBLIC DOMAIN

The company, INOX Air Products, which commissioned this plant has another plant in the state which was set up around 1990, is now producing 265 tons per day of oxygen, more than the state's current demand of about 150 tons per day. What is not used in hospitals will be provided to industrial units, many of which have been diverting their stocks to hospitals to meet the Covid demand.

INOX also announced its plan to set up another plant in Lucknow or Kanpur at an investment of about Rs 150 crore. Siddharth Jain, director of INOX, said the new plant should be ready to roll out within the next two years.

"Earlier, it was importing oxygen from other states but with this plant, UP will now become Atmanirbhar. We had signed an MoU for this plant with the government during the 2018 Investors' Summit and its foundation stone was laid by Prime Minister Narendra Modi on July 29, 2018. Work was definitely disrupted during the lockdown but our workers and associates put in a Herculean effort to finish this plant during the lockdown constraints," Jain said.

<https://timesofindia.indiatimes.com/city/lucknow/up-gets-largest-liquid-oxygen-plant-200-hospitals-to-benefit/articleshow/78564233.cms>

### Honourable Chief Minister Shri Yogi Adityanath inaugurates UP's largest Air Separation Plant In Modinagar commissioned by INOX Air Products

*Foundation stone of the plant was laid by Honourable Prime Minister Shri Narendra Modi in July 2018*

*The 200 Tonnes Per Day capacity Air Separation Plant will be the largest Gas Plant in Uttar Pradesh producing Liquid Oxygen, Liquid Nitrogen & Liquid Argon*

*With a Liquid Oxygen manufacturing capacity of 150 TPD, the new plant takes state's total production capacity from 115 TPD to 265 TPD*

*The plant will fulfil the Oxygen demand of more than 200 hospitals and medical colleges as well as cater to the industrial gas needs in the state*

**Lucknow, 8th October 2020:** Uttar Pradesh Chief Minister, Shri Yogi Adityanath today inaugurated a new state-of-the-art Ultra-High Purity Cryogenic Oxygen Plant in Modinagar town in the Ghaziabad District of Uttar Pradesh. The plant has been commissioned by INOX Air Products (INOXAP), one of India's largest manufacturers of Industrial & Medical Gases. As the largest gas manufacturing unit in Uttar Pradesh, the Air Separation plant with a capacity of 200 Tonnes Per Day (TPD) will produce Liquid Oxygen, Liquid Nitrogen & Liquid Argon. The foundation stone for this prestigious project was laid by Hon'ble Prime Minister Shri Narendra Modi on 29th July 2018.

As a part of MOU signed between the Government of Uttar Pradesh and INOX AP during 'Investors Summit 2018', the plant has been commissioned today, depicting INOX AP's strong intent to fulfill the need of medical oxygen as well as aid the state's industrial growth with a robust supply of industrial gases. With a potential to produce 150 Metric Tonnes of Liquid Oxygen per day, the plant now takes state's current Liquid Oxygen manufacturing capacity from 115 Metric Tonnes to 265 Metric Tonnes per day. It will fulfil the Oxygen demand of more than 200 hospitals and medical colleges in the state as well as cater to the industrial gases needs of various industries.

With the largest storage capacity of 1000 Metric Tonnes and a robust distribution infrastructure, INOXAP can ably perform this critical task of LMO supplies with its fleet of 15 specialized Cryogenic Tankers having a total trucking capacity of 2.3 lakh litres of Oxygen. Commissioned with a project outlay of Rs 135 Crores, the new plant will also generate 150 direct and indirect employment opportunities in the state.

<https://inoxairproducts.com/airproductsnews/honourable-chief-minister-shri-yogi-adityanath-inaugurates-ups-largest-air-separation-plant-in-modinagar-commissioned-by/>





## ENCLOSURE: 3 – VALUER'S IMPORTANT REMARKS

1.	Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown/ identified to us on the site unless otherwise mentioned in the report of which some reference has been taken from the information/ data given in the copy of documents provided to us and informed verbally or in writing out of the standard checklist of documents sought from the client & its customer which they could provide within the reasonable expected time out of the standard checklist of documents sought from them and further based on certain assumptions and limiting conditions. The information, facts, documents, data which has become primary basis of the report has been supplied by the client which has been relied upon in good faith and is not generated by the Valuer.
2.	The client/ owner and its management/ representatives warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us either verbally, in writing or through documents has been relied upon in good faith and we have assumed that it is true & correct without any fabrication or misrepresentation. I/We shall not be held liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents.
3.	Legal aspects for eg. Investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents provided to us such as title documents, Map, etc. from any concerned Govt. office etc. have to be taken care by legal expert/ Advocate and same is not done at our end. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4.	In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us 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. Our conclusions are based on the assumptions and other information provided to us by the client during the course of the assessment.
5.	Getting cizra map or coordination with revenue officers for site identification is a separate activity and is not part of the Valuation services and same has not been done in this report unless otherwise stated.
6.	Wherever any details are mentioned in the report in relation to any legal aspect of the property such as name of the owner, leases, etc. is only for illustration purpose and should not be construed as a professional opinion. Legal aspects are out of scope of this report. Details mentioned related to legal aspect are only based on the copy of the documents provided to us and whatever we can interpret as a non-legally trained person. This should be cross validated with a legal expert. We do not vouch any responsibility regarding the same.
7.	We have made certain assumptions in relation to facts, conditions & situations affecting the subject of, or approach to this exercise that has not been verified as part of the engagement rather, treated as "a supposition taken to be true". If any of these assumptions prove to be incorrect then our estimate on value will need to be reviewed.
8.	This is just an opinion report based on technical & market information having general assessment & opinion on the indicative, estimated Market Value of the property for which Bank has asked to conduct the Valuation. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
9.	We have relied on the data from third party, external sources & information available on public domain to conclude the valuation. These sources are believed to be reliable and therefore, we 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 we have relied on the data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data is extracted from authentic sources, however we still can't vouch its authenticity, correctness, or accuracy.
10.	Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.
11.	Value varies with the Purpose/ Date/ Asset Condition & situation/ Market condition, demand & supply, asset utility prevailing on a particular date/ Mode of sale. The indicative & estimated prospective Value of the asset given in this report is restricted only for the purpose and other points mentioned above prevailing on a particular date as mentioned in the report. If any of these points are different from the one mentioned aforesaid in the Report then this report should not be referred.
12.	Our report is meant ONLY for the purpose mentioned in the report and should not be used for any other purpose. The Report should not be copied or reproduced for any purpose other than the purpose for which it is prepared for. I/We do not take any responsibility for the unauthorized use of this report.
13.	We owe responsibility only to the authority/client that has appointed us as per the scope of work mentioned in the report. 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 willful default on part of the client or companies, their directors, employees or agents.
14.	This report is having limited scope as per its fields & format to provide only the general basic idea of the value of the property prevailing in the market based on the site inspection and documents/ data/ information provided by the client. The suggested indicative prospective estimated value should be considered only if transaction is happened as free market transaction.
15.	The sale of the subject property is assumed to be on an all cash basis. Financial arrangements would affect the price at which the property may sell for if placed on the market.
16.	The actual realizable value that is likely to be fetched upon sale of the asset under consideration shall entirely depend on the demand and supply of the same in the market at the time of sale.
17.	While our work has involved an analysis & computation of valuation, it does not include detailed estimation, design/ technical/ engineering/ financial/ structural/ environmental/ architectural/ compliance survey/ safety audit & works in accordance with





	generally accepted standards of audit & other such works. The report in this work is not investigative in nature. It is mere an opinion on the likely estimated valuation based on the facts & details presented to us by the client and third party market information came in front of us within the limited time of this assignment, which may vary from situation to situation.
18.	Where a sketched plan is attached to this report, it does not purport to represent accurate architectural plans. Sketch plans and photographs are provided as general illustrations only.
19.	Documents, information, data including title deeds provided to us during the course of this assessment by the client is reviewed only upto the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work. These are not reviewed in terms of legal rights for which we do not have expertise. Wherever any information mentioned in this report is mentioned from the documents like owners name, etc., it is only for illustration purpose and may not necessary represent accuracy.
20.	The report assumes that the borrower/company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets is 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 relevant laws, and litigations and other contingent liabilities that are not recorded/reflected in the documents/ details/ information/ data provided to us.
21.	This valuation report is not a qualification for accuracy of land boundaries, schedule (in physical terms), dimensions & identification. For this land/ property survey report can be sought from a qualified private or Govt. surveyor.
22.	This Valuation report is prepared based on the facts of the property on the date of the survey. Due to possible changes in market forces, socio-economic conditions, property conditions and circumstances, this valuation report can only be regarded as relevant as at the valuation date. Hence before financing, Banker/ FI should take into consideration all such future risk and should loan conservatively to keep the advanced money safe in case of the downward trend of the property value.
23.	Valuation of the same asset/ property can fetch different values under different circumstances & situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will have considerable lower value. Similarly, an asset sold directly by an owner in the open market through free market transaction then it will fetch better value and if the same asset/ property is sold by any financier due to encumbrance on it, will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing and take decision accordingly.
24.	Valuation is done for the property identified to us by the owner/ owner representative. At our end we have just visually matched the land boundaries, schedule (in physical terms) & dimensions of the property with reference to the documents produced for perusal. Method by which identification of the property is carried out is also mentioned in the report clearly. Responsibility of identifying the correct property to the Valuer/ its authorized surveyor is solely of the client/ owner for which Valuation has to be carried out. It is requested from the Bank to cross check from their own records/ information if this is the same property for which Valuation has to be carried out to ensure that owner has not misled the Valuer company or misrepresented the property due to any vested interest. Where there is a doubt about the precision position of the boundaries, schedule, dimensions of site & structures, it is recommended that a Licensed Surveyor be contacted.
25.	In India more than 70% of the geographical area is lying under rural/ remote/ non municipal/ unplanned area where the subject property is surrounded by vacant lands having no physical demarcation or having any display of property survey or municipal number / name plate on the property clearly. Even in old locations of towns, small cities & districts where property number is either not assigned or not displayed on the properties clearly and also due to the presence of multiple/ parallel departments due to which ownership/ rights/ illegal possession/ encroachment issues are rampant across India and due to these limitations at many occasions it becomes tough to identify the property with 100% surety from the available documents, information & site whereabouts and thus chances of error, misrepresentation by the borrower and margin of chances of error always persists in such cases. To avoid any such chances of error it is advised to the Bank to engage municipal/ revenue department officials to get the confirmation of the property to ensure that the property shown to Valuer/ Banker is the same as for which documents are provided.
26.	If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report and this report will be made for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township and the subject unit must be approved in all respect.
27.	Due to fragmented & frequent change in building/ urban planning laws/ guidelines from time to time, different laws/ guidelines between regions/ states and no strict enforceability of Building Bye-Laws in India specially in non-metro and scale b & c cities & Industrial areas, property owners many times extend or make changes in the covered area/ layout from the approved/ applicable limits. There are also situations where properties are decades old when there was no formal Building Bye-Laws applicable the time when the construction must have been done. Due to such discrete/ unplanned development in many regions sometimes it becomes tough for the Valuer to determine the exact lawful situation on ground. Unless otherwise mentioned in the report, the covered area present on the site as per site survey will be considered in the Valuation.
28.	Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated.
29.	Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.
30.	Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various data point/ information/ factors/ assumption considered by the consultant which became the basis for the Valuation report before reaching to any conclusion.
31.	Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.
32.	Value analysis of any asset cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the





	same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. Therefore, there can be no standard formula to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers, demand & supply prevailing in the market and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to take informed and wise decision about the Value of the asset and can help in facilitating the arm's length transaction.
33.	This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component, or item wise analysis. Analysis done is a general assessment and is not investigative in nature.
34.	This report is prepared on the RKA V-L1 (Basic) Valuation format as per the client requirement and scope of work. This report is having limited scope as per its fields & format to provide only the general estimated & indicative basic idea of the value of the property prevailing in the market based on the information provided by the client. No detailed analysis, audit or verification has been carried out of the subject property. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.
35.	This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Client/ Bank/ Financial Institution which is using this report for mortgaging the property that they should consider all the different associated relevant & related factors & risks before taking any business decision based on the content of this report.
36.	All Pages of the report including annexures are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
37.	As per IBA Guidelines & Bank Policy, in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.
38.	<b>Defect Liability Period is 15 DAYS.</b> We request the concerned authorized reader of this report to check the contents, data, information, and calculations in the report within this period and intimate us in writing at <a href="mailto:valuers@rkassociates.org">valuers@rkassociates.org</a> within 15 days of report delivery, if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. After this period no concern/ complaint/ proceedings in connection with the Valuation Services will be entertained due to possible change in situation and condition of the property.
39.	Though adequate care has been taken while preparing this report as per its scope, but still we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
40.	Our Data retention policy is of <b>ONE YEAR</b> . After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.
41.	This Valuation report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) R.K Associates Quality Policy, (3) Valuation & Survey Best Practices Guidelines formulated by management of R.K Associates, (4) Information input given to us by the customer and (4) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then we request the user of this report to immediately or atleast within the defect liability period to bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.
42.	R.K Associates never releases any report doing alterations or modifications by pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void.
43.	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 my / our tendering evidence before such authority shall be under the applicable laws.
44.	The final copy of the report shall be considered valid only if it is in hard copy on the company's original letter head with proper stamp and sign on it of the authorized official upon payment of the agreed fees. User shall not use the content of the report for the purpose it is prepared for only on draft report, scanned copy, email copy of the report and without payment of the agreed fees. In such a case the report shall be considered as unauthorized and misused.





**SURVEY SUMMARY SHEET**

(TO BE ENCLOSED WITH VALUATION REPORT)

(Version 1.0) | Date of implementation: 10.04.2017

Every Valuation report at R K Associates is prepared based on the thorough survey of the property carried out by our Engineering Surveyor. This Survey Summary Sheet is for the information of Banker/ concerned interested organization. Detailed Survey Form can also be made available to the interested organization in case it is required to cross check what information our surveyor has given in site inspection report based on which Valuation report is prepared.

MS (2022-23) - PL 578-470-798

1.	File No.			
2.	Name of the Surveyor	Rajat Choudhary / Anshu Roy		
3.	Borrower Name	M/S. Bora Iron & Steel Pvt. Ltd.		
4.	Name of the Owner	"		
5.	Property Address which has to be valued	same as PS-2		
6.	Property shown & identified by at spot	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Representative, <input type="checkbox"/> No one was available, <input type="checkbox"/> Property is locked, survey could not be done from inside <div style="display: flex; justify-content: space-between;"> <div>Name Mr. Sandeep Gargade</div> <div>Contact No. 7400342437</div> </div>		
7.	How Property is Identified by the Surveyor	<input type="checkbox"/> From schedule of the properties mentioned in the deed, <input type="checkbox"/> From name plate displayed on the property, <input checked="" type="checkbox"/> Identified by the owner/ owner representative, <input type="checkbox"/> Enquired from nearby people, <input type="checkbox"/> Identification of the property could not be done, <input type="checkbox"/> Survey was not done		
8.	Are Boundaries matched, <i>As per M Valuation work</i>	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> No relevant papers available to match the boundaries, <input type="checkbox"/> Boundaries not mentioned in available documents		
9.	Survey Type <i>photography not allowed.</i>	<input type="checkbox"/> Full survey (inside-out with measurements & photographs) <input type="checkbox"/> Half Survey (Measurements from outside & photographs) <input checked="" type="checkbox"/> Only photographs taken (No measurements)		
10.	Reason for Half survey or only photographs taken	<input type="checkbox"/> Property was locked, <input type="checkbox"/> Possessee didn't allow to inspect the property, <input type="checkbox"/> NPA property so couldn't be surveyed completely <i>As per M Valuation</i>		
11.	Type of Property	<input type="checkbox"/> Flat in Multistoried Apartment, <input type="checkbox"/> Residential House, <input type="checkbox"/> Low Rise Apartment, <input type="checkbox"/> Residential Builder Floor, <input type="checkbox"/> Commercial Land & Building, <input type="checkbox"/> Commercial Office, <input type="checkbox"/> Commercial Shop, <input type="checkbox"/> Commercial Floor, <input type="checkbox"/> Shopping Mall, <input type="checkbox"/> Hotel, <input checked="" type="checkbox"/> Industrial, <input type="checkbox"/> Institutional, <input type="checkbox"/> School Building, <input type="checkbox"/> Vacant Residential Plot, <input type="checkbox"/> Vacant Industrial Plot, <input type="checkbox"/> Agricultural Land		
12.	Property Measurement	<input type="checkbox"/> Self-measured, <input type="checkbox"/> Sample measurement, <input checked="" type="checkbox"/> No measurement		
13.	Reason for no measurement <i>As per M Valuation</i>	<input type="checkbox"/> It's a flat in multi storey building so measurement not required <input type="checkbox"/> Property was locked, <input type="checkbox"/> Owner/ possessee didn't allow it, <input type="checkbox"/> NPA property so didn't enter the property, <input type="checkbox"/> Very Large Property, practically not possible to measure the area within limited time <input type="checkbox"/> Any other Reason:		
14.	Land Area of the Property	As per Title deed	As per Map	As per site survey
15.	Covered Built-up Area	As per Title deed	As per Map	As per site survey
16.	Property possessed by at the time of survey	<input type="checkbox"/> Owner, <input type="checkbox"/> Vacant, <input checked="" type="checkbox"/> Lessee, <input type="checkbox"/> Under Construction, <input type="checkbox"/> Couldn't be Surveyed, <input type="checkbox"/> Property was locked, <input type="checkbox"/> Bank sealed, <input type="checkbox"/> Court sealed		
17.	Any negative observation of the			





	property during survey	
8.	Is Independent access available to the property	<input type="checkbox"/> Clear independent access is available, <input type="checkbox"/> Access available in sharing of other adjoining property, <input type="checkbox"/> No clear access is available, <input type="checkbox"/> Access is closed due to dispute
19.	Is property clearly demarcated with permanent boundaries?	<input type="checkbox"/> Yes, <input type="checkbox"/> No, <input type="checkbox"/> Only with Temporary boundaries A can't comment
20.	Is the property merged or colluded with any other property	Can't comment
21.	Local Information References on property rates	Please refer attached sheet named 'Property rate Information Details.'

### Endorsement:

#### 1. Signature of the Person who was present from the owner side to identify the property:

**Undertaking:** I have shown the correct property and provided the correct information about the property to the surveyor of R.K Associates to the best of my knowledge for which Valuation has to be prepared. In case I have shown wrong property or misled the valuer company in any way then I'll be solely responsible for this unlawful act.

- a. Name of the Person: Sandeep Namdev Chougale  
b. Relation: Employee  
c. Signature: [Signature]  
d. Date: 09/02/23

In case not signed then mention the reason for it: ☐ No one was available, ☐ Property is locked, ☐ Owner/representative refused to sign it, ☐ Any other reason:

#### 2. Surveyor Signature who did site inspection:

**Undertaking:** I have inspected the property and cross verified the property details at site to the extent of a. Matching boundaries of the property, b. Sample measurement of its area, c. Physical condition, d. Property rates as per local information with what is mentioned in the property documents provided to me by the Bank/interested organization. I have not come under influence of anyone during site inspection and have only recorded the true and factual details in the survey form which I come across during the site survey. I understand that giving any manipulative information in the survey form will lead to incorrect Valuation report which is an unlawful act and I'll be solely responsible for doing it.

- a. Name of the Surveyor: Anishan Roy / Rajat  
b. Signature: [Signature]  
c. Date: 09/02/2023



Access is available through Tata - BSL Plant.