

**REPORT ON PHYSICAL VERIFICATION, VALUATION, COMPONENTIZATION
AND FAR PREPARATION OF TANGIBLE FIXED ASSETS OF CREST STEEL
& POWER PRIVATE LIMITED (CSPPL) AS ON 24TH OCTOBER 2024
SUBMITTED TO CREST STEEL & POWER PRIVATE LIMITED**

Valuation | Investment Banking
Transaction Services | Transaction Tax
Restructuring | Risk Consulting

www.rbsa.in

Date :

To,
Mr. Harish Gupta
AVP - Finance
Crest Steel & Power Private Limited
Joratarai, Rajnandgaon (C.G)
Chhattisgarh 491441

Dear Sir,

In accordance with your appointment order no. 4232200928 dated 13th September 2024 in connection with our detailed offer vide reference number RBSA/AMD/OFFER/CSPL/12072024/V3 dated 5th September 2024, We enclose our Report on the Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register of Tangible Fixed Assets of Crest Steel & Power Private Limited (CSPPL) (herein referred "CSPPL" or "Company" or "Client") on standalone basis for internal management review purpose in accordance with internationally accepted valuation standards.

Crest Steel and Power Private Limited (CSPPL) was acquired by Amalgam Steel Private Limited (ASPL) and Amalgam Steel & Power Limited (AS&PL) (with each holding an equity stake of 47.5%) from Nithia Capital Resources Advisors LLP. Nithia Capital Resources Advisors LLP had earlier acquired CSPPL through the IBC route. ASPL and AS&PL is an equal JV between Atha and Misra Groups.

The major facilities include sponge iron plant, captive power plant and induction furnace. It is engaged in manufacturing sponge iron & billets.

The management of Crest Steel & Power Private Limited (CSPPL) has approached RBSA Valuation Advisors LLP ('RBSA'/ 'Valuer') for Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register of Specified Tangible Fixed Assets of Crest Steel & Power Private Limited (CSPPL) situated at Village: Joratarai, District: Rajnandgaon in the state of Chhattisgarh.

RBSA is a leading Independent Valuation firm and is a Registered Valuer's Entity (RVE) in all three-asset class i.e. (1) Land & Building (L&B), (2) Plant and Machinery (P&M) and (3) Securities or financial assets (SFA). The firm has a team of ~250 professionals, with 6 offices in India, Singapore, Dubai, Abu Dhabi, Saudi Arabia and trusted affiliates across the globe.

On receipt of the engagement letter, a team under the leadership of Mr. Saurabh Upadhyay and Mr. Jignesh Shah had been formed.

Looking to the time availability, a team from Ahmedabad office of RBSA had been deployed. All the team members associated with the exercise are well qualified and generally familiar with the valuation of relevant assets. The details of the team involved in this exercise along with their participation has been mentioned in this chapter.

1) Land & Building

For valuation of Land & Building, the team involved are responsible for the site inspection, survey of the properties, micro and macro market survey, analysis of comparable instances, valuation analysis, report writing, review of valuation analysis etc., is carried out by Mr. Jayesh Makwana. **Mr. Saurabh Upadhyay** who has signed this report as a registered valuer for Land & Building and is responsible for valuation methodology, analysis and derived valuation and his responsibility is limited to that extent only.

2) Plant & Machinery

For valuation of Plant & Machinery, the team involved are responsible for the site inspection, survey of the plant & machinery, micro and macro market survey, valuation analysis, report writing, review of valuation analysis etc., is carried out by Mr. Sagar Doshi and Mr. Shivang Soni. **Mr. Jignesh Shah** who has signed this report as a registered valuer for Plant & Machinery and is responsible for valuation methodology, analysis and derived valuation and his responsibility is limited to that extent only.

This Report has been prepared solely for Crest Steel & Power Private Limited (CSPPL) in connection with the purpose stated herein and should not be relied upon for any other purpose. The Valuation estimates are based on historical annual accounts, information from website of Company, information provided by the “Management” (Management hereinafter represent senior officials at both Company and Client) and based on information collected from public domain and market analysis.

The estimation of the Asset Valuation is subject to the Scope of Work, Basis of Valuation and Facts, Assumptions and Limitations mentioned in the report. We had provided a draft of this Report to the management and representatives of the Client who have reviewed the same and have confirmed that the information contained in this Report is factually correct.

Based on the review and analysis of the information provided by the company as well as analysis of industry and macro economics trends as on valuation date, the estimated Fair Value of Specified Tangible fixed assets of Crest Steel & Power Private Limited (CSPPL) is summarised below:

The 'Fair Value' basis of Valuation has been adopted for the valuation of specified tangible fixed assets.

The Fair Value of computer Hardware and software, Furniture & Fixture, Office Equipment, tools & tackles and vehicles is adopted as per their respective Book Value as on 30th September, 2024.

Transaction Costs pertaining to the sale/purchase of the assets have not been considered while estimating the Fair Value. The valuation is not intended for general circulation or publication and is not to be reproduced without our prior written consent or used for any purpose other than for the purposes stated above and cannot be relied upon by third parties. We will not accept any responsibilities to any other party to whom the report may be shown or who may acquire a copy of this report.

Our valuation is based on the generally accepted valuation methodologies. Another Valuer may use different methodologies or may arrive at different valuation using the same/other methodologies depending upon their perceptions and the parameters that they feel have a greater significance. This conclusion does not reflect the outcome of due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and our valuation, and that change could be material.

We do not have any financial interest in the Company nor do we have any conflict of interest in carrying out this valuation. Further, the information provided by the Management have been reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation except the listed in chapter 6 of this report.

The Fair Value of Specified Tangible Fixed Assets of Crest Steel & Power Private Limited (CSPPL) as on 24th October, 2024 is estimated at INR 232 Crores

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account. We thank you and your team for the cooperation extended to us during this engagement.

For, RBSA Valuation Advisors LLP

(RVE No.: IBBI/RV-E/05/2019/110)

Jignesh H Shah
Partner

RV No.: IBBI/RV/08/2019/11494

Asset Class: Plant & Machinery

Saurabh Upadhyay

Partner

Asset Class : Land and Building

RV. No. : IBBI/RV/08/2022/14771

Jayesh Makwana
Associate Vice President

Shivang Soni
Associate Vice President

RBSA Valuation Advisors LLP
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380 015 INDIA

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BACKGROUND OF ENGAGEMENT

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1. BACKGROUND OF ENGAGEMENT

- Crest Steel & Power Private Limited (CSPPL) is a Steel manufacturing company in India for producer of sponge iron & billets. The company has a steel-manufacturing facility situated at Village: Joratarai, District: Rajnandgaon in the state of Chhattisgarh.
- Crest Steel and Power Private Limited (CSPPL) was acquired by Amalgam Steel Private Limited (ASPL) and Amalgam Steel & Power Limited (AS&PL) (with each holding an equity stake of 47.5%) from Nithia Capital Resources Advisors LLP. Nithia Capital Resources Advisors LLP had earlier acquired CSPPL through the IBC route. ASPL and AS&PL is an equal JV between Atha and Misra Groups. The major facilities include sponge iron plant, captive power plant and induction furnace.
- In this regard, the Management of CSPPL has approached RBSA Valuation Advisors LLP (“RBSA”/ “Valuer”) for Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register of Specified Tangible Fixed Assets of Crest Steel & Power Private Limited (CSPPL) situated at Village: Joratarai, District: Rajnandgoan for internal management review purpose.



1. BACKGROUND OF ENGAGEMENT



RBSA 'Valuer'	RBSA Valuation Advisors LLP is a leading Independent Valuation firm and is a Registered Valuer's Entity (RVE) in all three-asset class i.e. (1) Land & Building (L&B), (2) Plant and Machinery (P&M) and (3) Securities or financial assets (SFA). The firm has a team of ~250 professionals, with 6 offices in India, Singapore, Dubai, Abu Dhabi and trusted affiliates across the globe.	
Date of Appointment	September 13, 2024	
Date of Report	-----	
Valuation Date	October 24, 2024 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.	
Currency Adopted	The currency adopted is INR	
RBSA Valuation Team	1. Jignesh Shah 2. Saurabh Upadhyay 3. Sagar Doshi	4. Jayesh Makwana 5. Shivang Soni
Purpose of Valuation	Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register of the specified fixed Assets of Crest Steel & Power Private Limited (CSPPL) for internal management review purpose as on October 24, 2024.	
Basis of Valuation and Premise of Valuation	Bases of Value : Market Value Premise of Value : Highest and Best use (Market Value)	
Valuation Standard and Accounting Standard Adopted	Valuation Standard: International Valuation Standards 2022 published by International Valuation Standards Council, UK.	

ABOUT COMPANY AND ASSETS

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2. ABOUT COMPANY AND ASSET

About Company – Crest Steel & Power Private Limited (CSPPL)

- Crest Steel and Power Private Limited (CSPPL) was acquired by Amalgam Steel Private Limited (ASPL) and Amalgam Steel & Power Limited (AS&PL) (with each holding an equity stake of 47.5%) from Nithia Capital Resources Advisors LLP.
- Nithia Capital Resources Advisors LLP had earlier acquired CSPPL through the IBC route. ASPL and AS&PL is an equal JV between Atha and Misra Groups.
- The CSPPL manufacturing facility is located at Village: Joratarai, District: Rajnandgaon in the state of Chhattisgarh. Company is engaged into manufacturing of sponge iron & billets and major facilities include sponge iron plant, captive power plant and steel melting shop.
- Capacity and year of installation/capitalization of company's major facility is mentioned below....

Sr. No.	CSPPL Major Plant	Capacity	Year of Capitalization
1	Direct reduce iron – 1 (350 TPD)	1,15,000 TPA	2006
2	Direct reduce iron – 2 (350 TPD)	1,15,000 TPA	2011
3	Steel Melting Shop (Induction Furnaces 12 MT X 2) And Single Strand Continuous Casting Machine – (4/7 meter radius)	72,000 TPA	2006
4	Captive Power Plant	12 MW	2005
5	Solar power plant	3 X 100 KW	2013
6	RMPP –Coal Circuit (New & Old)	Old Coal Circuit: 60 TPH New Coal Circuit: 65 TPH	2004-2005 2010-2011
7	RMPP – Iron Circuit	75 TPH	2004-2005

- Projects under capital work in progress that mainly includes coal washery, pellet plant, wire rod mill, rolling mill, power plant and sponge iron plant etc.

2. ABOUT COMPANY AND ASSET

- Brief about Major Production facilities:

Sr. No.	CSPPL Major Plant	Description	
1	Direct reduce iron – 1 & Direct reduce iron – 2 (Sponge Iron Division)	DRI -1 & 2 was commissioned in the year of 2006 and 2013 respectively. The cumulative installation capacity is 2,31,000 TPA. The major supplier is B.K. Engineering for Kiln & Cooler. The following are the major machineries of DRI plant:	
		1. Raw Material Handling System (RMHS) – Mainly include Weigh feeder & Conveyor Assembly 2. Kiln & Cooler 1 & 2 3. ABC 1 & 2 4. Cooling Tower	5. Air Compressor 6. Finished product handling system (Stock House/Product House) 7. Electrical & Instrumentation
2	Steel Melting Shop	The steel melting shop having installed capacity of 72,000 TPA commissioning in the year of 2006. The major supplier is Inductotherm for induction furnace and Concast for CCM. The following are the major machineries of SMS plant:	
		1. Induction Furnace – 2 Nos. – 12 Ton each 2. Continuous Casting Machine – 4/7 M Radius 3. Crane 4. Hot Billet shearing machine	5. Hydraulic Power Pack 6. Cooling Tower 7. Air Compressor
3	Captive Power Plant (CPP)	This Captive Power Plant is having total capacity of 12 MW and installed in the year 2005-2006. Triveni and BHEL is the supplier for Turbine and Generator respectively. WHRB and AFBC Boiler supplied by Thermax and Cheema respectively. Solar power plant of 300 KW (ground) installed in the year 2012-13. Following are the major machineries of CPP...	
		1. Turbine & Generator – 1 Nos. – 12 MW 2. Waste Heat Recovery Boiler – 2 Nos. – 38 TPH 3. AFBC Boiler – 1 No. – 24 TPH 4. Coal Handling Plant 5. Ash Handling Plant 6. Compressor	7. Cooling Tower 8. DM Plant – 15 TPH 9. 33 KV Switchyard 10. Electrical & Instrumentation 11. Solar Power Plant – 300 KW

2. ABOUT COMPANY AND ASSET

- Brief about Major Production facilities:

Sr. No.	CSPPL Major Plant	Description
4	Raw Material Processing Plant (RMPP)	Raw material processing plant (RMPP) consist of Coal (New & Old) circuit and Iron circuit to meet the basic requirement of DRI -1 & 2. RMPP Plant comprises of Iron circuit, old coal circuit and new coal circuit. The RMPP mainly comprises of ground hopper, crusher, vibrating screen, conveyor assembly and Daybin facilities etc. RMPP iron circuit and old coal circuit commissioned in 2004-2005 and ne coal circuit is commissioned in 2010-2011.

- The plant has following facilities to cater the water and power requirement.

Particulars	Details
Water Requirements	Reservoir of 30,000 KL.
Power Requirements	Captive Power plants having capacity of 12 MW.
Connectivity	- The plant facilities are located at Village: Joratarai, District: Rajnandgaon with proximity to iron ore and other raw materials. Further, it has good connectivity with road, rail network for transport of finished products and raw materials movement. - For the raw material and finished goods movement, the company has its own railway siding facility.

SCOPE OF WORK AND SOURCES OF INFORMATION

3

3. SCOPE OF WORK AND SOURCES OF INFORMATION

- RBSA is appointed for Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register of the specified fixed Assets of Crest Steel & Power Private Limited (CSPPL) for internal management review purpose situated at Village: Joratarai, District: Rajnandgaon as mentioned below for internal management review purpose.

Sr. No.	Location	Land	Building & Misc. Civil Structures	Plant & Machinery
1	Village: Joratarai, District: Rajnandgaon	Yes	Yes	Yes

- Physical verification of land, building, plant & machinery (major equipment) and misc. assets like office equipment, computers, furniture & fixtures and vehicles etc. will be verified on a sample basis from the list of assets provided by the company.
- Valuation of Land, Building and plant & machinery of CSPPL situated at Joratarai, Mangatta, Dist.: Rajnandgaon, Chhattisgarh on 'in-situ' and 'as is where is' basis in going concern scenario.
- Componentization of building and plant & machinery to the extent possible.
- The date of valuation is 24th October, 2024. The currency adopted for this exercise is Indian Rupees (INR).
- Miscellaneous asset like office equipment, furniture & fixtures, computer hardware/software, vehicles, tools & tackles will be captured as it is as per listing along with quantity and gross block and book value provided by company officials.
- Preparation of the fixed asset register (FAR) is also the part of scope of work, wherein mapping of component/asset with the shared FAR by company to be done in consultation with the company officials.
- **Deliverables:**
 - Preparation of a report outlining our opinion/ estimation of Fair Value, Physical Verification, Valuation, Componentization and Preparation of Fixed Asset Register as well as the methodologies employed, and assumptions utilized in our analyses;
 - Submission of the Draft report.
 - Preparation of Final Valuation Report ("Deliverable") outlining our assumptions and bases as well as the methodologies employed and assumptions utilized in our analyses.

3. SCOPE OF WORK AND SOURCES OF INFORMATION



- This Report is prepared on the basis of the following sources of information provided by the company/client:
 - Land & Building:
 - Copy of sale deeds on sample basis
 - Land area summary/statement
 - Non-Agricultural Permission Letter (Diverted Land permission letter) on sample basis
 - List of buildings along with built-up area, year of construction and technical specification
 - Copy of survey map
 - Copy of plant layout
 - Copy of building plan on sample basis
 - Plant & machinery:
 - Fixed Asset Register as on 30th September, 2024
 - Individual plant wise list of machinery along with major technical specifications (wherever available), quantity and year of capitalization
 - List of Misc. assets and IT assets along with technical specifications, quantity and year of capitalization
 - Flow charts of Raw material processing plants
 - Independent auditor's report issued by Das & Prasad dated on 30th August, 2023.
 - General:
 - Factory License
 - Renewal of consent from Chattisgarh Environment Conservation board

3. SCOPE OF WORK AND SOURCES OF INFORMATION



- Discussions with the following personnel of the Company:
 - **Finance Department of CSPPL:**
 - Mr. Harish Kumar Gupta
 - Mr. Sudheer Kumar
 - Mr. Madhsudan Mishra
 - **Technical Personals of CSPPL:**
 - Mr. Raut (DRI – HOD)
 - Madan Mishra (DRI – Mechanical)
 - Pramod Sharma (DRI- electrical)
 - Mr. Mantosh (SMS - Mechanical)
 - Mr. C N Verma (SMS - Electrical)
 - Mr. S.N. Sharma (CPP – HOD)
 - Mr. Ashish Pawar (CPP – Mechanical)
 - Mr. Ranjit Thakur (CPP – Electrical)
 - Mr. Akash Pateria (DM Plant)
 - J Ravishankar (RMPP)
 - Mr. Ganesh (HR & Admin – for Misc. Assets)
 - Mr. Santosh Pandey (Legal & Land)
 - Mr. Kamlesh Pawar (Legal & Land)
 - Mr. Shriniwas Rao (Civil)
- Some of the clarifications were provided by the company personnel verbally.
- Our market survey relevant considering the purpose of the engagement and nature of assets.
- Our scope does not include legal assessment of the pending litigations/ contingent liabilities, and we will consider and rely on the estimate provided by the Management/ external advisor, if any, appointed by the Management.
- This service does not cover any scope of work which may be subsequently required by the Client, such requirement, arising due to any change in stake in near &/or distant future. Should such scope of service be warranted at any later date, arising due to change in stake, the services for the same would warrant separate professional fees payable to RBSA, as mutually agreed at that instant.

VALUATION PROCEDURES

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4. VALUATION PROCEDURES



- Initiated virtual Kick – Off meeting with the Client
- Received information based on Information Requirement List (IRL) shared with the Client



- Review of information shared by the Client
- Discussion with the officials of the company regarding fixed assets, geographic spread of the fixed assets



- Planning and conducting the site visit of the fixed assets of the company



- Considered Fixed Asset Register of CSPPL as on 30th September, 2024;
- Considered the various documents of land, building, plant & machinery and misc. assets



- Performed due diligence on site and off site
- Market Research, analysis and workings



- Carried out valuation using applicable Valuation Approach and methodologies
- Issuance of Draft Valuation Report
- Issuance of Final Valuation Report

SITE INSPECTION AND KEY CONSIDERATION

5

5. SITE INSPECTION AND KEY CONSIDERATION

- RBSA has carried out the physical verification of specified fixed assets of CSPPL from 21st October, 2024 to 24th October, 2024. At the time of site inspection, the plant was in running condition.
- The fixed asset register (FAR) of CSPPL as on 30th September, 2024 has been furnished to us. The FAR comprises of Asset Class, asset name along with its details (make, capacity etc.), year of capitalization, quantity, total life, gross block and book value as on 30th September, 2024.
- The company has provided following details for the physical verification of the assets:
 - Land area summary comprises of survey number, area of individual survey number, diverted/un diverted etc.
 - List of building along with name of building, technical details, length-width, number of floors, total built up area, height etc.
 - Unit wise list of machinery (mechanical and electrical) comprises of machine name, major technical details (make, capacity, wherever available), supplier/manufacture (wherever available), quantity, year (wherever is available) and status of operation etc.
 - List of misc. assets related to furniture & fixtures, office equipment, computers, vehicles etc.
- As per verbal information provided by the company officials, all asset captured in aforesaid asset listing are capitalized in FAR and there is no change in the physical status of asset from FAR date to the site inspection date. Hence, same has been considered for the purpose of this valuation exercise.
- We have carried out physical verification of the assets based on the above mentioned documents. At the time of site inspection respective unit personnel has accompanied us and identified/verified the major machinery/equipment from the list of machinery of particular unit. Majority of the machinery/equipment have been verified during site inspection. However, physical verification of items like pumps, motors, cables, pipeline, electrical panels, conveyor etc. were verified as lot.
- The major units comprises of Raw Material Processing Plant (RMPP), Sponge Iron (DRI-1 & DRI-2), Captive Power Plant (CPP) and Steel Melting Shop (SMS). We have observed that all the unit are in operating condition.

5. SITE INSPECTION AND KEY CONSIDERATION

- As per the land area statement provided by the company officials, the total land area owned/occupied by the CSPPL is 418.71 acres wherein Out of this 418.71 acres of land 24.38 acres of land is leasehold land and balance 394.33 acres of land is freehold land.
- From the said leasehold land of 24.38 acres of land around 17.46 acres has been leased out to company by CSIDC for railway siding for the tenure of 99 years starting from July, 2011 and balance 6.92 acres of land leased out to company by government of India for railway siding for tenure of 1 year starting from April, 2023. Renewal lease of the same has not been furnished to us.
- As informed by the company officials out of said 394.33 acres of freehold land around 193 acres of land is related to plant premises and balance land area located outside plant premises and scattered land parcels. From the aforesaid 193 acres of land which is related to plant premises, out of which 32 acres of land is agriculture and yet to convert into industrial land we have considered 32 acres of land deemed to be N.A land for the purpose of this exercise.
- The plant premises comprises of various buildings like SMS shed, TG Building, Control Room, Admin building, Store, Coal shed etc.
- As informed by company officials, all machinery mentioned in the machinery list and FAR were newly purchased except the slag crushing plant. Company has purchased the slag crushing plant in the year 2011-12 (transfer from Barbil). However, the original year of manufacturing of same is not available with the company.
- At the time of site inspection, we have observed the rusting on the structures of individual units and required minor repair and painting.

5. SITE INSPECTION AND KEY CONSIDERATION



■ Spong Iron:

- As informed by company officials, gas condensing tower is not in operation since last many years and used minimal after installation. Gas condensing tower is attached to DRI-1 only.

■ Captive Power Plant

- The installed capacity of power plant is 12 MW and it was commissioned in year 2006. Initially, one AFBC boiler of 24 TPH and WHRB boiler of 38 TPH were used to operate the power plant. After commissioning of second WHRB of 38 TPH in 2011, both WHRB are sufficient to operate the power plant and hence AFBC were utilized occasionally to operate the power plant.
- As informed by company officials, the AFBC boiler and its related section like coal handling plant and ash handling plant were not in operation since last many years (approximately 6 to 7 years). However, it can be put in operation after some repair and overhauling. We have considered the cost to cure based on our professional judgement for estimation of fair value.
- Solar power plant of 300 KW were commissioned in year 2013. As per the verbal information provided by the company officials, majority of the panels are not in working condition and solar plant is not in proper operational status since long time and require major overhauling/cost to cure to put it into proper working condition. We have considered the cost to cure based on our professional judgement for estimation of fair value.
- As informed by company officials, due to fire incident in the year 2021 the company has replaced Turbine and Generator.

■ Steel Melting Shop (SMS)

- In SMS, the pollution control system is not in working condition. As informed by the company officials, same need to replace with the new system. We have considered the necessary adjustment to estimate the fair value.

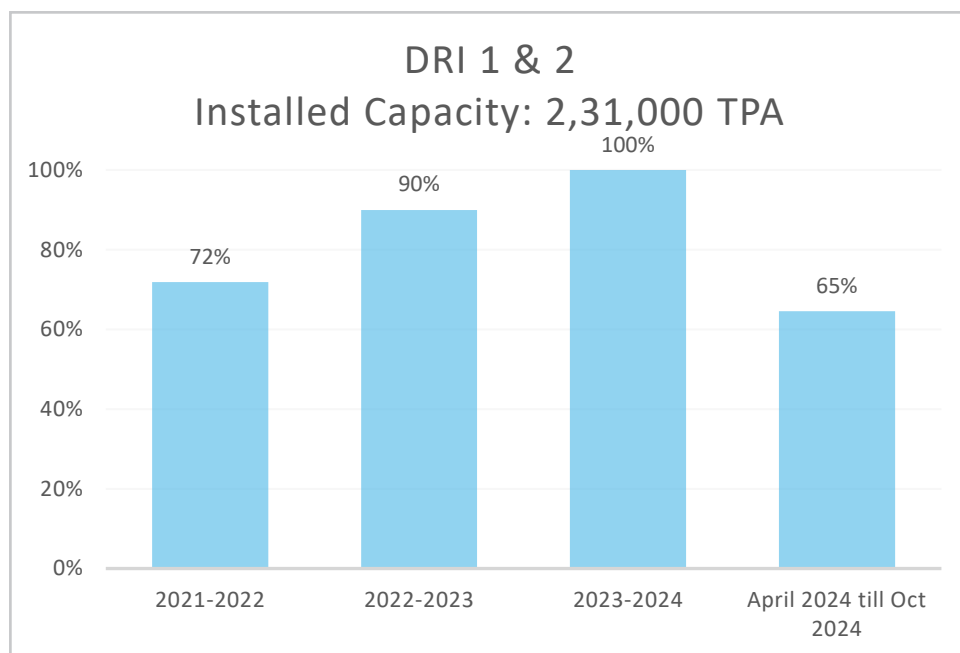
5. SITE INSPECTION AND KEY CONSIDERATION



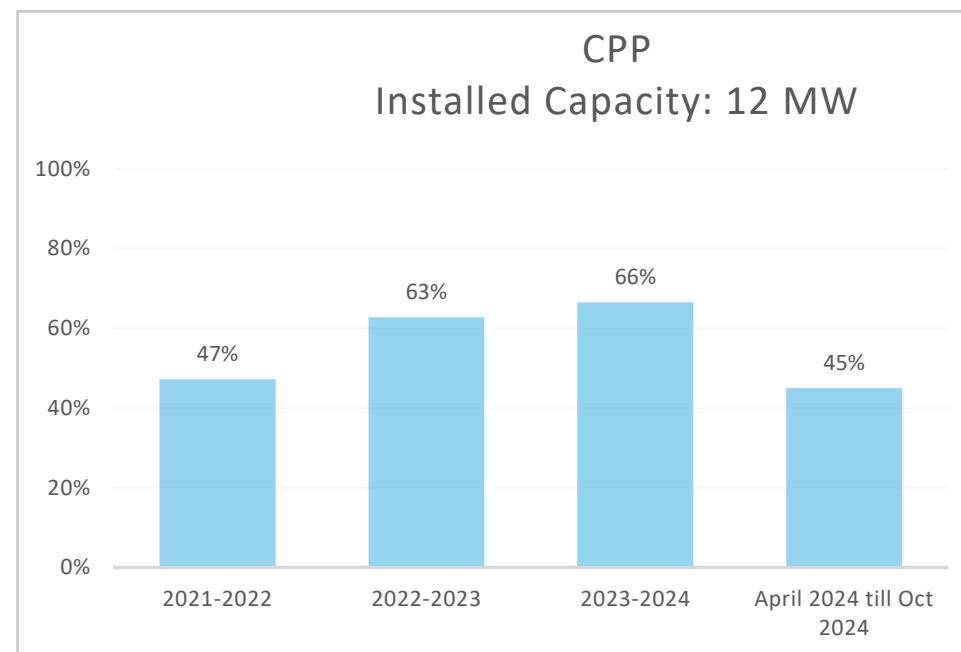
- Raw Material Processing Plant (RMPP)
 - We have not verified the machinery of RMPP and slag crushing plant in working condition due to some internal issue. However we have verified all the major machinery of RMPP plant in its ideal condition. Further, as per the verbal information provided by company officials, all machinery/equipment of RMPP and slag crushing plant are in working condition except gyrol crusher, toothed roll crusher, majority of the bag filtration system and jaw crusher. we have considered the cost to cure based on our professional judgement for estimation of fair value.
- The company has reservoir having total capacity 30,000 KL which is located near to the plant and same has been verified.
- At the time of site inspection, we came to know that the misc. assets like furniture & fixtures, office equipment, computers etc. are spread across various location (multiple guest houses) including plant premise. Hence, we have carried out the sample verification of all such asset.

5. SITE INSPECTION AND KEY CONSIDERATION

CAPACITY UTILIZATION



- As Informed, the annual installed capacity of DRI 1 & 2 i.e. 2,31,000 TPA is based on 330 days of operation in a year.
- Based on this, the average capacity utilization level of DRI-1 & DRI-2 from FY22 to FY24 is more than 85%. In FY24, capacity utilization level of DRI 1 & 2 is almost 100% of its installed capacity.
- The capacity utilization level for DRI 1 & 2 from April -24 to October-24 is around 65%.

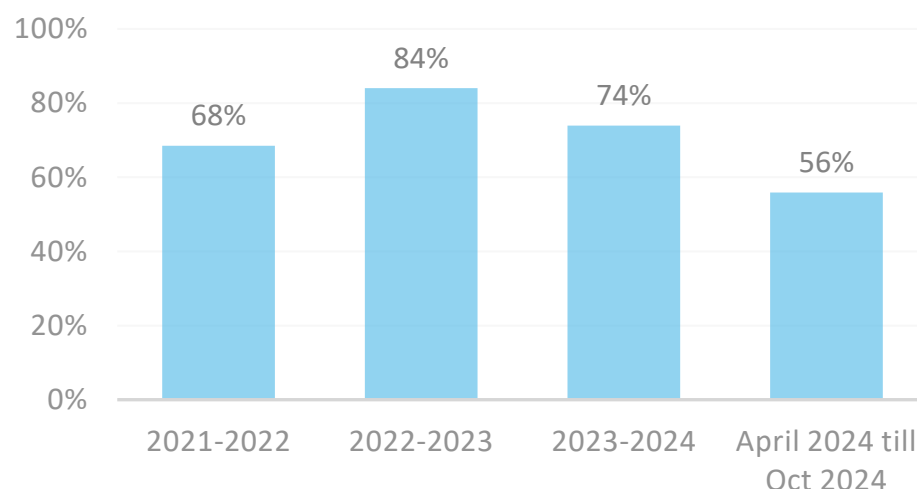


- As Informed, the annual installed capacity of CPP is calculated based on the capacity of power plant i.e. 12 MW multiplied by 24 hours and multiplied it with 300 days of operation in a year.
- Based on this, the average capacity utilization level of CPP from FY22 to FY 24 is around 60%.
- The capacity utilization level for CPP from April -24 to October-24 is around 45%.

5. SITE INSPECTION AND KEY CONSIDERATION

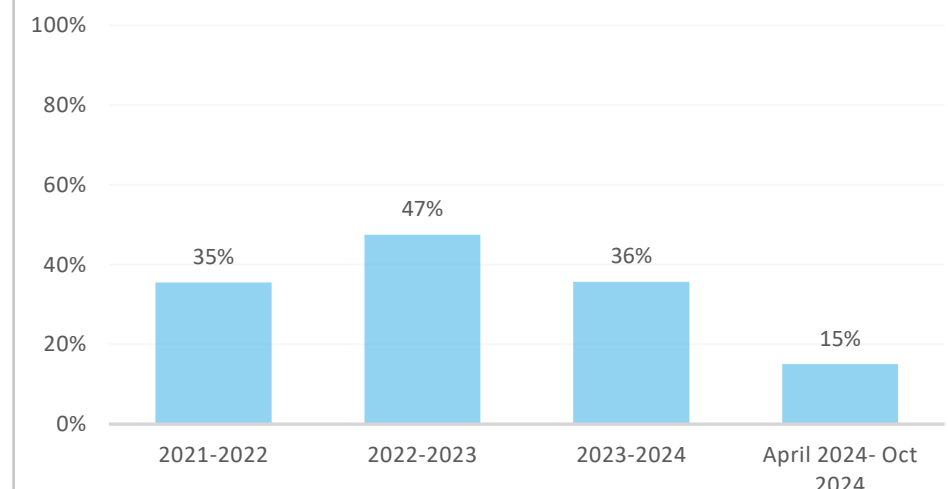
CAPACITY UTILIZATION

Steel Melting Shop (SMS)
Capacity 72,000 TPA



- The average capacity utilization level of SMS from FY22 to FY24 is around 75%.
- The capacity utilization level for SMS from April -24 to October-24 is around 56%.
- As informed by company officials, plant was not in operation in FY20-21 due to covid and CIRP process.

Solar Power Plant
Installed Capacity: 300 KW



- The average capacity utilization level of Solar Power Plant from FY22 to FY 24 is around 40%.
- The capacity utilization level for Solar Power Plant from April -24 to October-24 is around 15%.

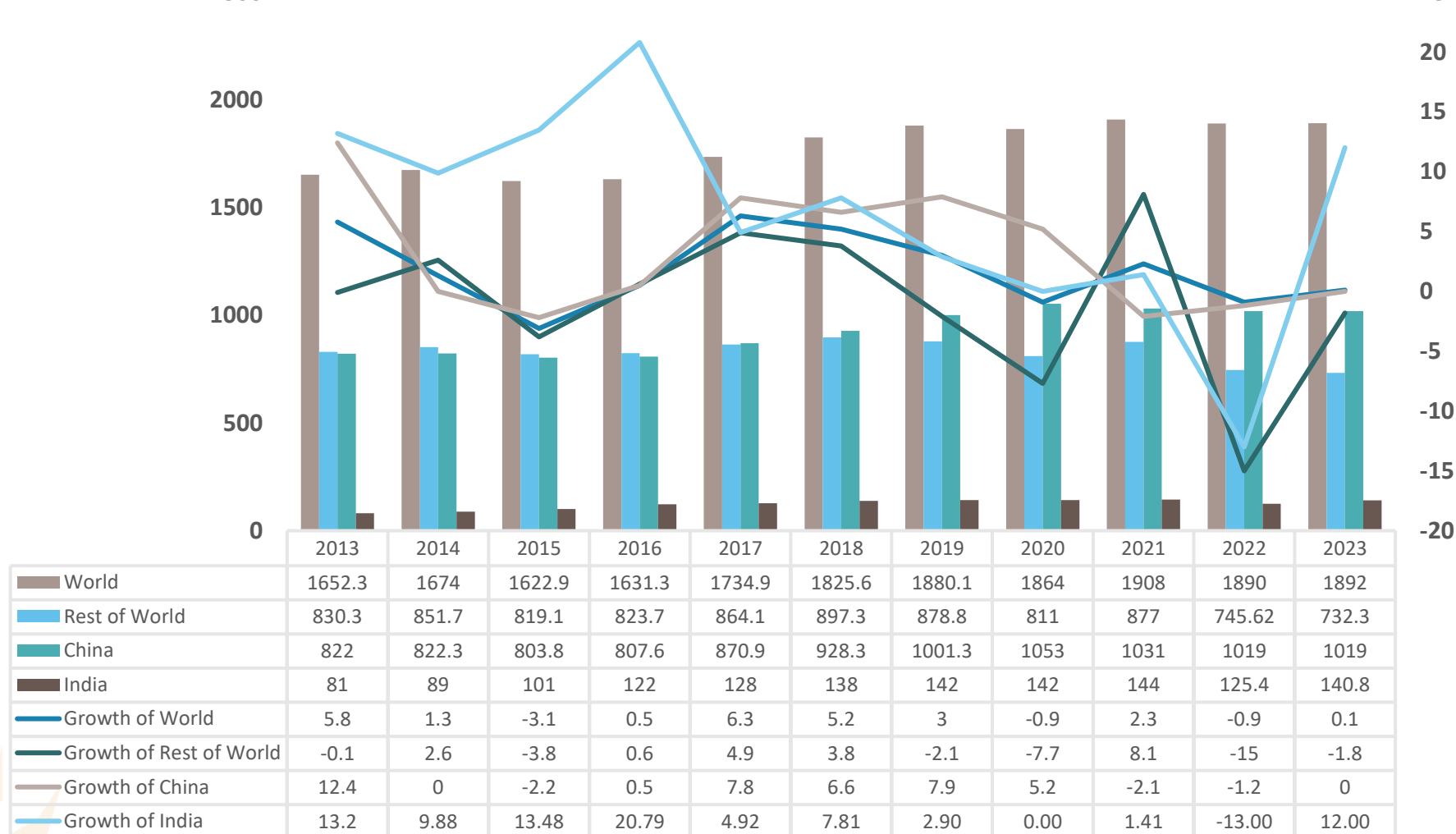
ECONOMIC OVERVIEW OF STEEL INDUSTRY

6

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

OVERVIEW OF STEEL INDUSTRY - GLOBAL

2500 TREND IN GLOBAL STEEL PRODUCTION IN MILLION TON PER ANNUM WITH ANNUAL GROWTH RATE 25

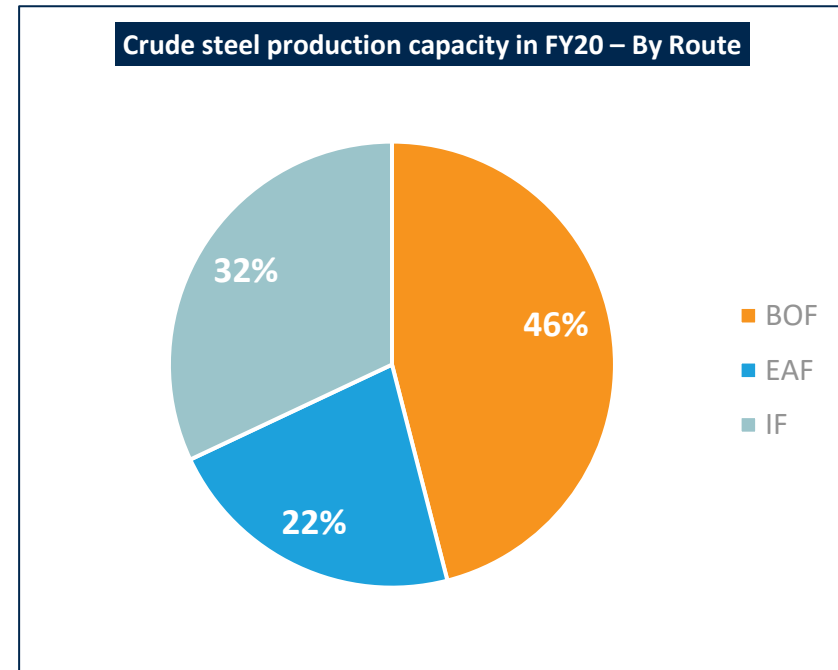
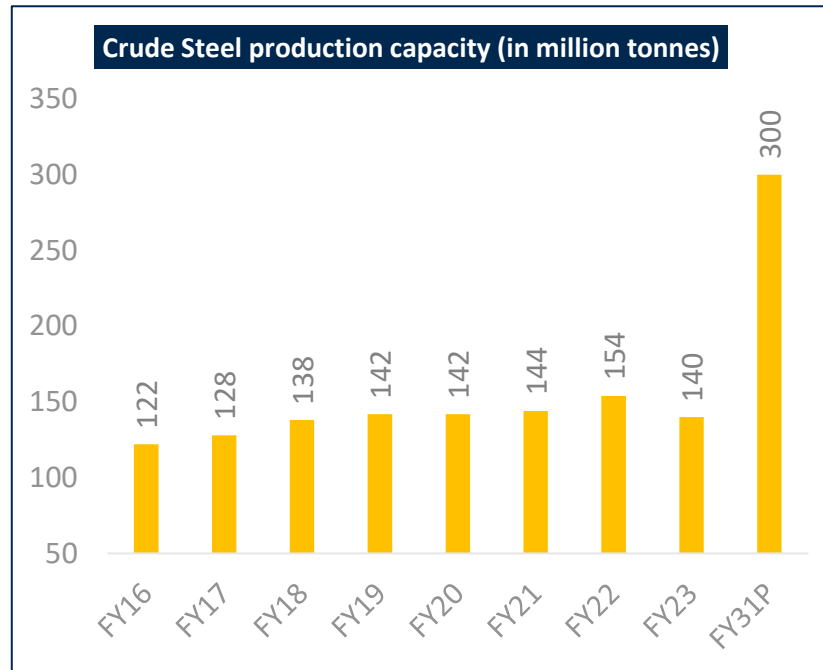


- In 2023, the world crude steel production reached 1,892.2 million tones (MT) as per data released by World Steel Association. World Steel Association in its Short-Range Outlook, April 2024 forecasts that steel demand will grow by 1.7% in 2024 and reach 1,793.1 MT after contracting by 1.1% in 2023. In 2025, steel demand will see a further increase of 1.2% to 1,815.2 MT.

Source: <https://worldsteel.org/media/press-releases/2024/world-steel-in-figures-2024-now-available/>

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

OVERVIEW OF STEEL INDUSTRY - INDIA



- India's crude steel capacity increased from 138 million tones (MT) in 2017-18 to 154.06 MT in 2021-22. The National Steel Policy aims to increase the capacity to 300 MT by 2030-31.
- India is the second largest producer of crude steel. China was world's largest crude steel producer in 2023 (1,019.1MT) followed by India(140.8 MT).
- Government of India is implementing a Production-linked Incentive(PLI) Scheme for Specialty Steel. It is expected that the specialty steel production will reach 42 MT by the end of 2026-27.
- BF-BOF route is expected to contribute to 65% of the capacity, while the remaining 35% is expected to come from EAF & IF routes.

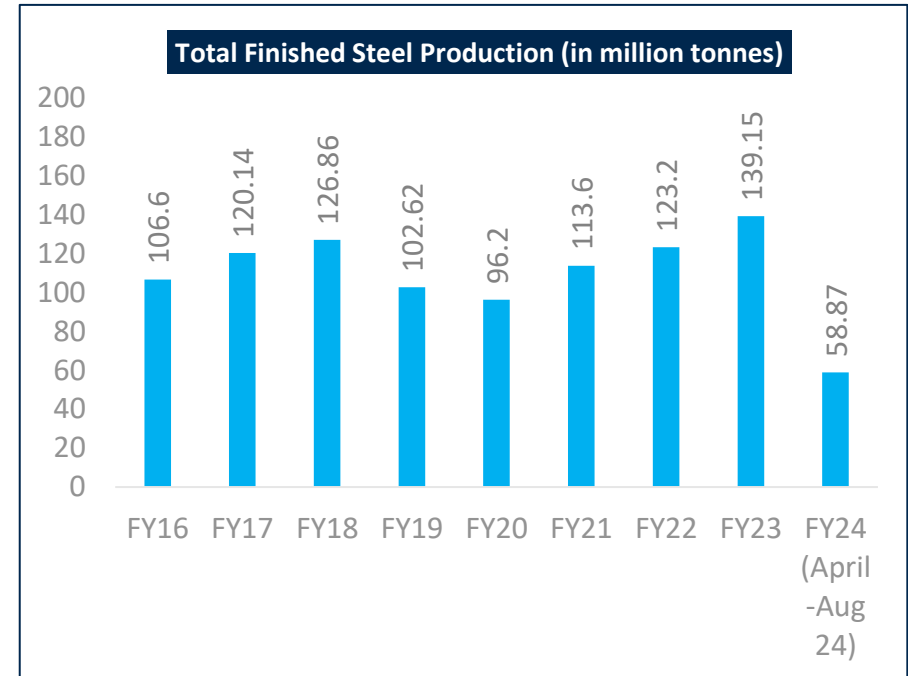
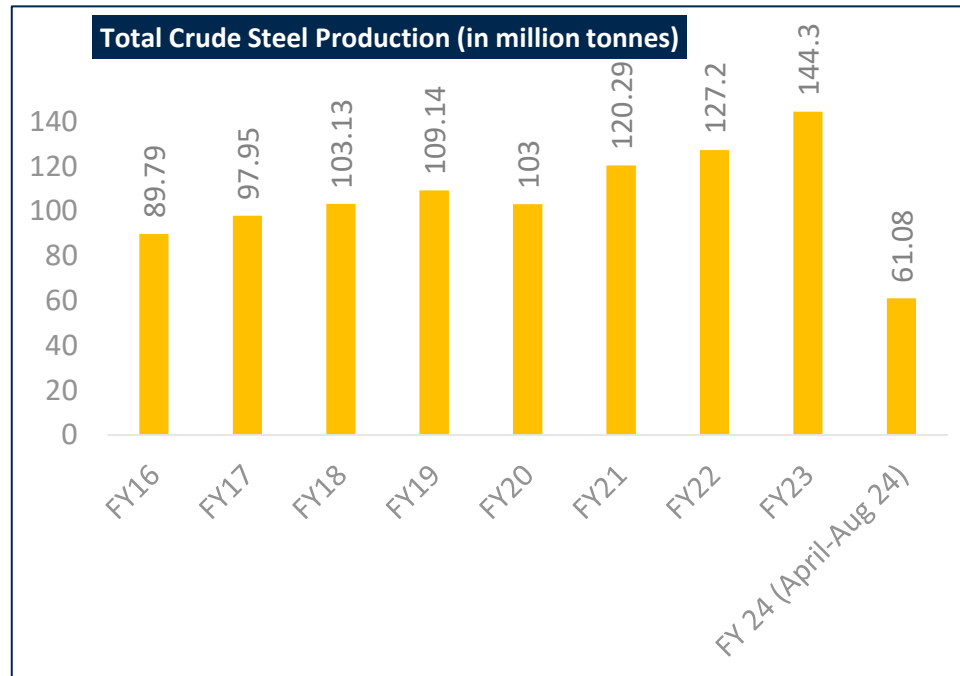
BF-BOF – Blast Furnace-Blast Oxygen Furnace, EAF-Electric arc furnace, IF-Induction furnace

Source: Joint plant committee, Ministry of steel, News Articles

<https://www.vpsatech.com/news-information/Driving-VPSA-Oxygen-Generation-Application-Expansion-of-India-Scrap-Steel-Supply-and-Utilization.html>

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

OVERVIEW OF STEEL INDUSTRY - INDIA



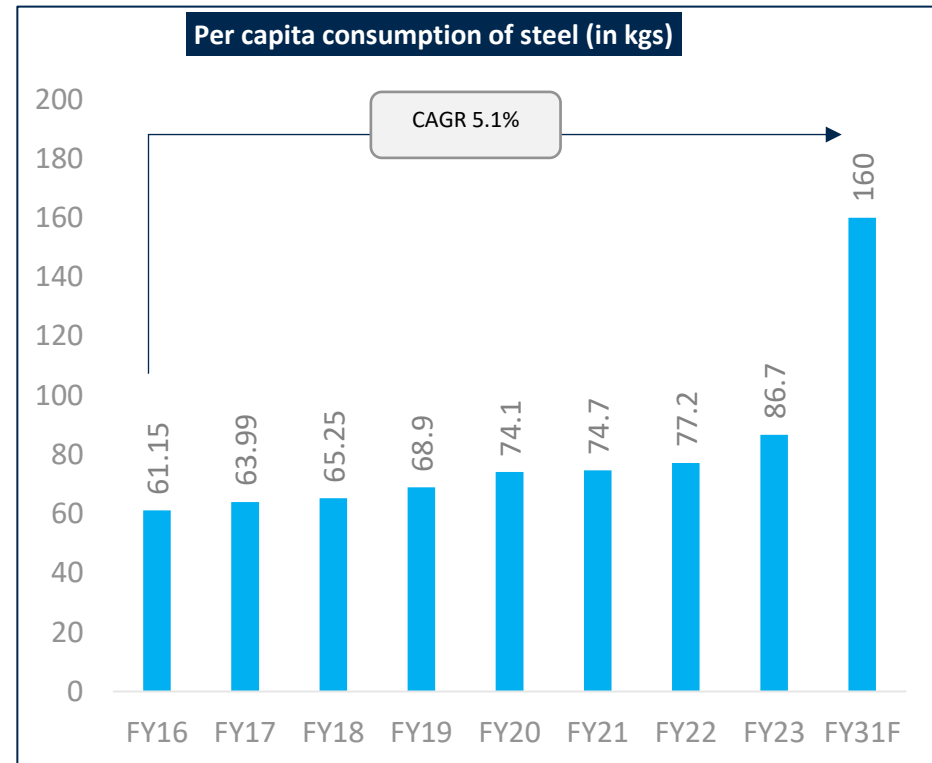
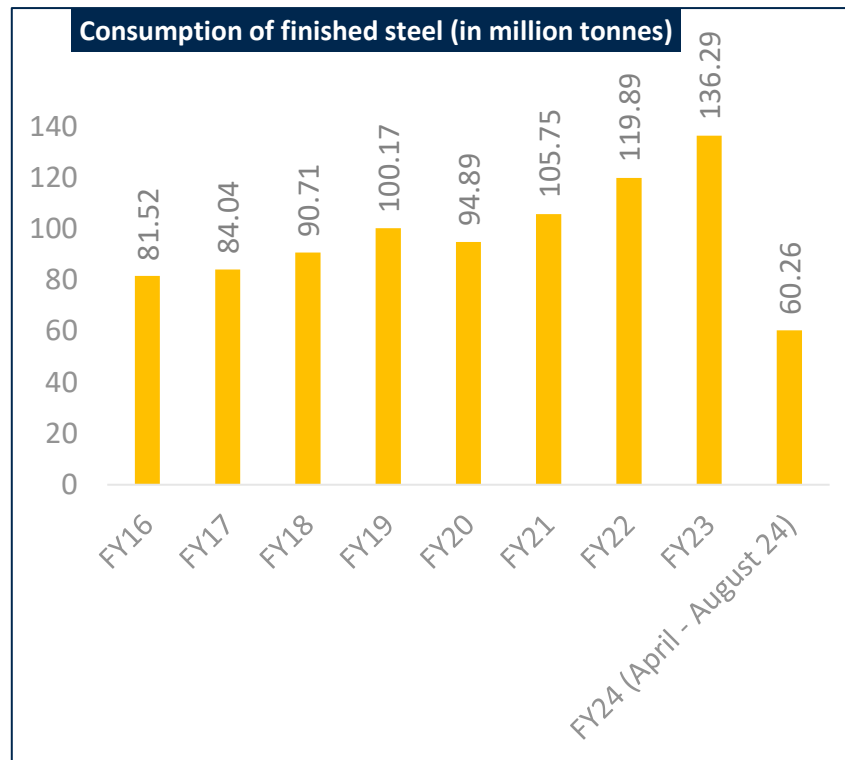
- In FY24 (till August), production of finished steel stood at 58.87 MT.
- In FY23, production of crude steel and finished steel stood at 144.30.49 MT and 139.15 MT, respectively.
- To support MSMEs, the government has reduced customs duty on stainless steel to 7.5%. The import duty on steel scrap was reduced to nil.
- According to CARE ratings, crude steel production is expected to reach 129-132 MT, an increase of 8-10% YoY, in FY24. This demand will be supported by economic recovery, government spending and enhancing liquidity.
 - The Govt. of India has allocated Rs. 111 lakh crore under the National infrastructure pipeline for FY2019-25 to propel the economy.

FY24: From April 2023 to August 2024

Source: Joint plant committee, Ministry of steel, News Articles, World steel Association, CARE ratings

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

DEMAND OF STEEL - INDIA



- Between April 2023-August 2024, the consumption of finished steel stood at 60.26 MT.
- Per capita finished steel consumption stood at 86.7 KG in FY 2023.
- In FY 2023, India's finished steel consumption stood at 119.17 MT. The National steel policy aims to increase per capita steel consumption to 160 kgs by 2030-31.
- It is expected that consumption per capita would increase, supported by rapid growth in the industrial sector and rising infrastructure expenditure projects in railways, roads and highways, etc.
- The government has fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita by 2030-31 .

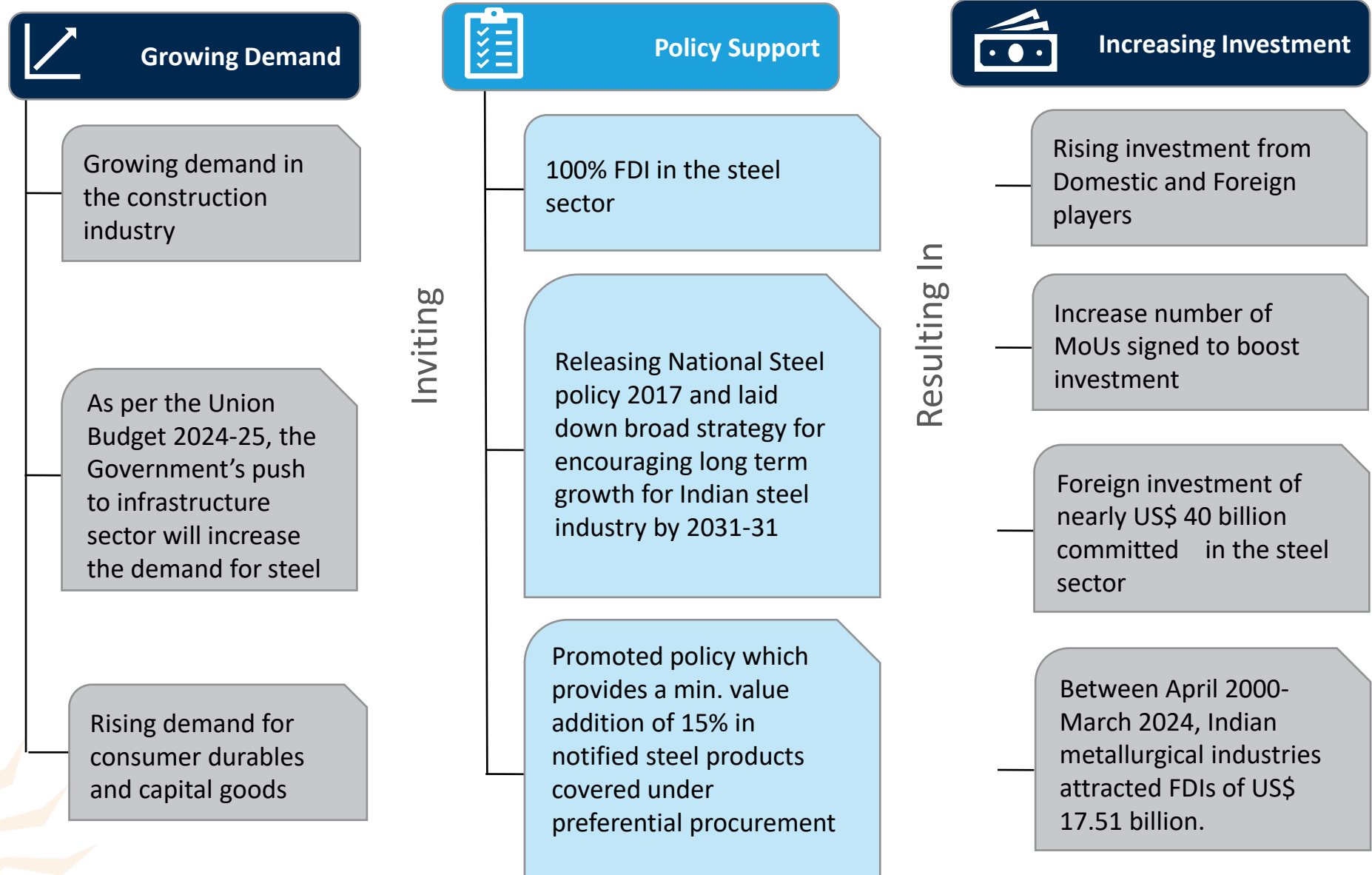
FY24: From April 2023 to August 2024

Source: Joint plant committee, Ministry of steel, News Articles, World steel Association

India's Steel Production: A Global Leader in Iron & Steel Industry Growth

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

GROWTH DRIVERS



6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

OPPORTUNITIES

Automotive

- The automotive industry is forecast to reach US\$ 260-300 billion by 2026.
- The industry accounts for around 10% of the demand for steel in India.
- With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.

Capital Goods

- The capital goods sector accounts for 11% of the total steel consumption and expected to increase 14-15% by 2025-26
- Corporate India's capex expected to grow and generate greater demand.

Infrastructure

- The infrastructure sector accounts for 9% of the steel consumption and expected to increase to 11% by 2025-26.
- For various infrastructure sectors, the ministry of finance planning to set up a stress fund
- National Highways grew from 91,287Km in 2013-14 to 1,46,45 KM in 2023-24, with construction speed rising from 12.1 km/day in 2014-15 to 42.03Km/day in FY 23.

Airports

- More and more and private airports are expected to be set up.
- Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.
- The government of India is poised to unveil 15 airport projects, featuring new terminals in Delhi, Lucknow and Pune. With a robust investment strategy of US\$ 12.06 Billion (Rs. 1 Lacs Crore), the aim is to elevate the count of airport from 225 within five years, bolstering infrastructure development.

- The Govt. of India has allocated Rs. 111 lakh crore under the National infrastructure pipeline for FY2019-25.

Source: Make in India, SIAM, Ministry of Steel, Airport authority of India

6. ECONOMIC OVERVIEW OF STEEL INDUSTRY

OPPORTUNITIES

Railways

- As on January 2023, 41 indigenously designed, semi-high speed Vande Bharat Express trains are in operation. In 2024-2025, the goal is to upgrade 40,000 conventional rail bogies to meet the 'Vande Bharat' standards.
- Introduction of high-speed bullet and metro train will increase steel usage.
- Upgradation of lines increase usage of steel.
- The Indian railways planning to purchase 11 lakh tons of steel from SAIL to lay new lines across the country.

Oil and Gas

- Oil and gas consumption is expected to increase 10mbpd and 14bcfd, respectively by 2040.
- This would lead to increase demand of steel pipes and tubes for supply.
- According to OPEC, India's oil demand in 2024 is projected to be at 5.59 million barrels per day (b/d), up from 5.37 million b/d in 2023, resulting in a growth of 4.1%.

Power

- India aims to boost non-fossil fuel electricity generation to over 500,000 MW by 2030, with a transmission plan for integrating 500,000 MW of renewable energy capacity by the same year.
- By this transmission and distribution increases, thereby steel demand rises.

Rural India

- Policy like Pradhan Mantri Awas Yojna and Pradhan Mantri Gram Sadak Yojna are driving growing demand for steel.
- In FY21, per capita consumption of steel in rural India was estimated to be between 21.5 kgs.

mbpd – Million barrels per day, bcfd – billion cubic feet per day
Source: Make in India, Ministry of Power

BASES AND METHODOLOGY OF PHYSICAL VERIFICATION, VALUATION AND COMPONENTIZATION

7

7. METHODOLOGY FOR PHYSICAL VERIFICATION

Physical Verification of Specified Fixed Assets of CSPPL

- The physical verification of specified fixed assets of CSPPL has been carried out as per the list of asset provided by the company officials.
- The list mainly comprises of asset name, asset details, quantity, supplier/manufacturer (wherever available) and year of installation/capitalization (wherever available).
- We have verified assets based on the inputs provided by plant personnel of respective units who had accompanied us during site inspection.
- Physical verification of items like pumps, motors, belt conveyor, pipeline, refractories, electrical panels and fittings, valves, pressure guage, temperature guage, level switch, transmitter, small tools & tackles, fans etc. have been verified as a lot.
- Misc. assets like office equipment, furniture & fixtures, computers and vehicles etc. will be verified on a sample basis from the list of assets provided by the company.
- For physical verification of specified fixed assets (building, major plant & machinery and misc. assets) we have prepared **Annexure A**. It covers physical verification status (Physically verified / Not verified), comment on working condition (working/not working), quantity variation (if any).
- We have captured our observation (if any) for physical verification of assets which are mentioned in Remarks Column of **Annexure A**.

7. BASES AND METHODOLOGY OF VALUATION

Fair Value - Basis of Valuation

- The definition of Fair Value as per the Indian Accounting Standard (Ind AS 113) is as under:

“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 measurement date.”

Accordingly, our estimation of Valuation is in compliance with the **International Valuation Standards (“IVS”)** issued by the International Valuation Standards Council.

- IVS provides for Market value basis. Para 30 of IVS 104 – Bases of Value defines Market Value as follows:

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

- It is clearly evident from the wordings, meaning and interpretation that the spirit of Fair Value & Market Value is the similar and hence it is not wrong to use both interchangeably. This has further been supported by IndVs issued by ICAI, RVO. Para 19 of Indian Valuation Standard 102 issued by ICAI, RVO mentioned *“Fair Value is usually synonymous to Market Value”*.
- Therefore, the Fair Value used throughout in this report and analysis has the same meaning of Market Value as defined in International Valuation Standard.
- Hence, the ‘Market Value’ basis of valuation is adopted as per the framework and guidelines provided in International Valuation Standards.

7. BASES AND METHODOLOGY OF VALUATION

Fair Value - Premises of Valuation

- In the context of the IVS and considering the definitions of “Fair value”, our analysis of estimating Fair value of Fixed Assets of the company is based on the premise of:

(a) Exit price i.e. the price that would be received to sell an asset, not the transaction price or entry price or the price that was actually paid for the asset,

(b) On "as is where is" basis of the asset – which assumes that the enterprise shall continue to operate and run its business and that the assets shall continue to have economic utility and has ability to earn the profit.

(c) The highest and best use of the asset

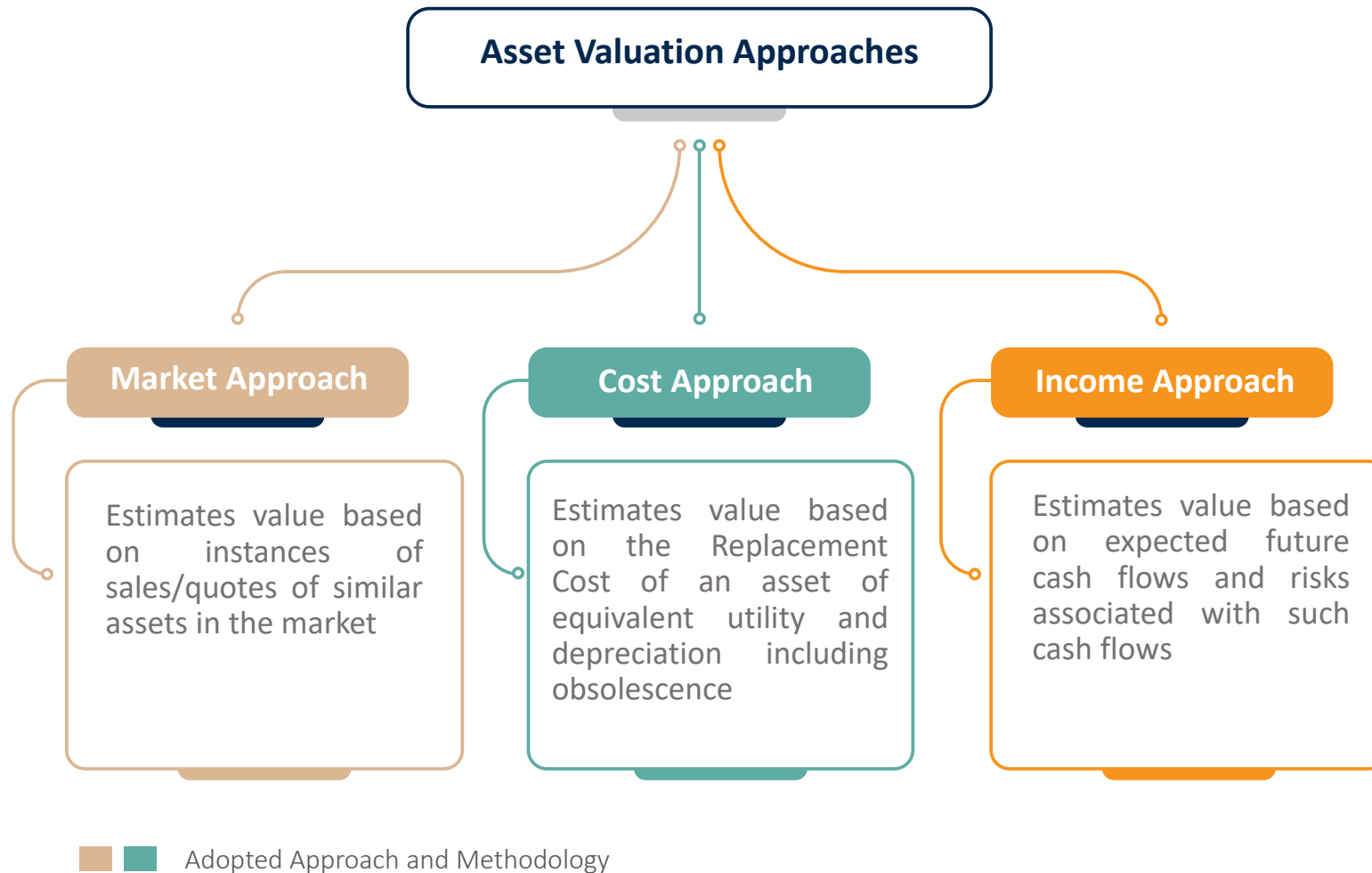
(d) The buyers are assumed to be knowledgeable independent market participants.

The Assets Value reported in the Valuation Report is on a ‘whole’ basis, it is not a part or fraction or item wise Valuation. Unless otherwise mentioned, the Value reported is realizable when all the assets of the company are sold as a ‘whole’ and not as part or fraction. The Value is ‘in-situ’ and on ‘as is where is’ basis.

- ‘Fair Value’ of the assets is subject to potential profitability and adequate service potential of subject assets as on the date of valuation.

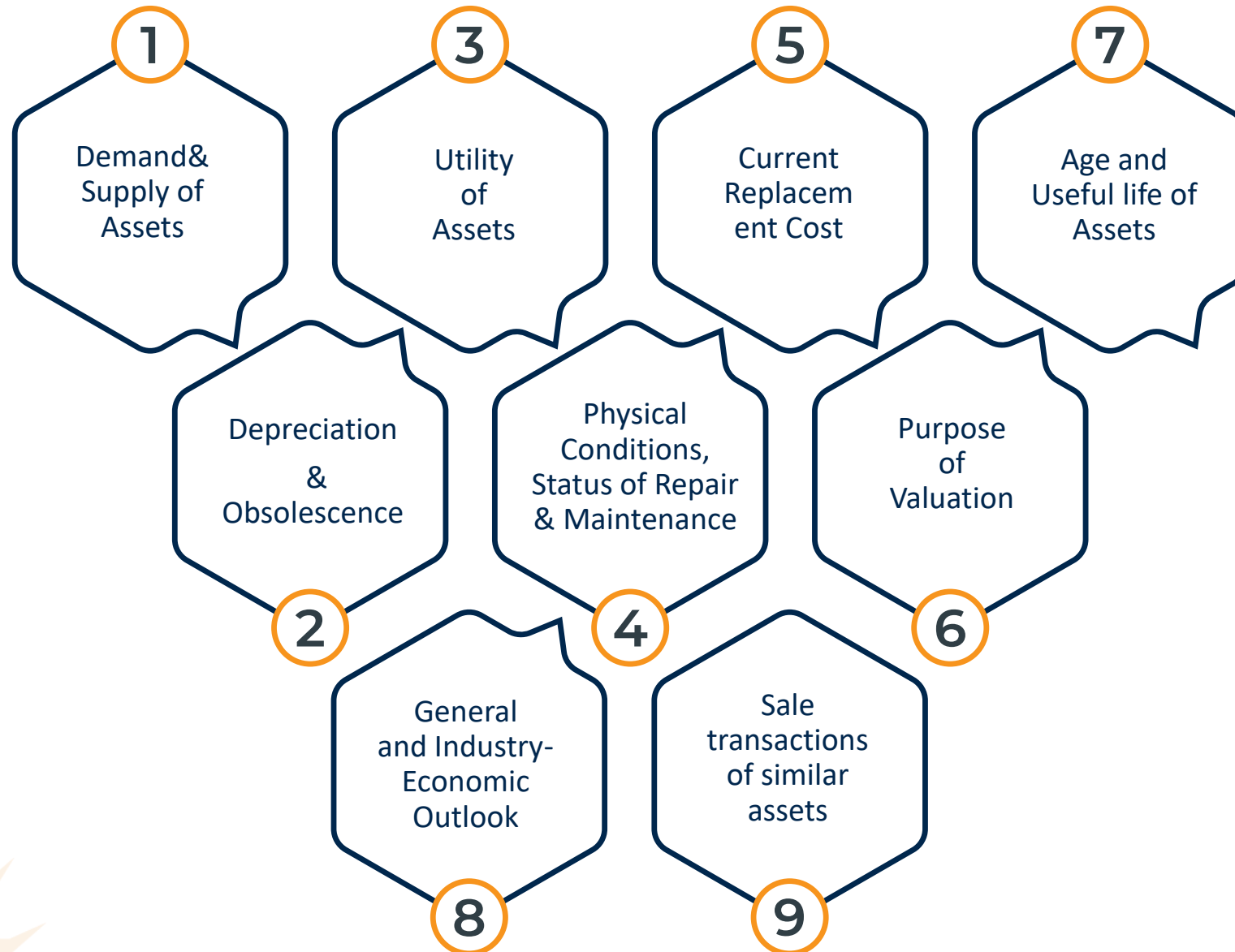
7. BASES AND METHODOLOGY OF VALUATION

Approach and Methodology of Valuation



7. BASES AND METHODOLOGY OF VALUATION

Factors affecting the valuation of fixed assets;



7. BASES AND METHODOLOGY OF VALUATION

Fair Value of Land:

Valuation Methodologies			
Approach	Approach Used	Methodology Used	Rationale
Market Approach	Yes	Sales Comparison Method	The quoted price of an identical Asset from an active market is considered for the measurement purpose. If a quoted price of an identical asset is not available then, quoted prices of the similar asset in the active market is used and relevant adjustments are carried on such derived prices. Also, if no active market is available for either identical or similar assets than prices from markets, which are not active, is considered for measurement with additional adjustments.
Cost Approach	No	Not Applicable	The historical cost method or replacement cost method is not feasible for valuation of land as – the Historical acquisition cost of land may not be relevant with a passage of time; further the replacement cost of land is also not relevant as Land can neither be created nor produced.
Income Approach	No	Not Applicable	Not adopted as Income Approach is adopted for the assets which are income generating or specific cash flow from that individual assets are available or can be estimated with a reasonable level of accuracy. Also an active market (leasing of the Land parcel) is not prevalent and hence Specific cash flows from Land asset individually can not be ascertained and hence has not been considered for this valuation exercise.

7. BASIS AND METHODOLOGY OF VALUATION

Fair Value of Building:

Valuation Methodologies			
Approach	Approach Used	Methodology Used	Rationale
Cost Approach	Yes	Depreciated Replacement Cost	- The cost approach estimates value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. It is based on the principle of substitution, i.e. unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to assemble or construct an equivalent asset. - The DRC method is a common application of the cost approach. It can be applied to a wide range of asset types. It is frequently used when there is either very limited or no evidence of sales transaction. In assessing what it might be prepared to pay for the subject asset, a potential purchaser may consider as an alternative to acquiring the subject asset, the cost to construct a similar asset having the same functionality. This represents the maximum that a potential purchaser would be prepared to pay for the subject asset if it were new at the date of valuation. The DRC method is most commonly used for the valuation of specialized assets. This is because transactions involving the sale of specialized assets are relatively infrequent and when they do occur, the assets are often sold as part of a going concern business. In such situations, the values attributable to each individual asset are often sold as part of a going concern business.
Market Approach	No	Not Applicable	The heterogeneous nature of the Building structures makes the availability of the identical or similar assets in the market unfeasible as there is not an active market for identical or similar assets. Hence, this method would not provide a reasonable measure of the value by this method. Accordingly, this method has not been adopted.
Income Approach	No	Not Applicable	DCF method for valuation of buildings will involve significant number of assumptions and hence may not be a suitable method.

7. BASES AND METHODOLOGY OF VALUATION

Fair Value of Plant & Machinery:

Valuation Methodologies			
Approach	Approach Used	Methodology Used	Rationale
Market Approach	No	Not Applicable	Not Adopted as active open market for used machinery of specific industrial plant and machinery is not available.
Cost Approach	Yes	Depreciated Replacement Cost	- The cost approach estimates value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. It is based on the principle of substitution, i.e. unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to assemble or construct an equivalent asset. - The DRC method is a common application of the cost approach. It can be applied to a wide range of asset types. It is frequently used when there is either very limited or no evidence of sales transaction. In assessing what it might be prepared to pay for the subject asset, a potential purchaser may consider as an alternative to acquiring the subject asset, the cost to construct a similar asset having the same functionality. This represents the maximum that a potential purchaser would be prepared to pay for the subject asset if it were new at the date of valuation. The DRC method is most commonly used for the valuation of specialized assets. This is because transactions involving the sale of specialized assets are relatively infrequent and when they do occur, the assets are often sold as part of a going concern business. In such situations, the values attributable to each individual asset are often sold as part of a going concern business.
Income Approach	No	Not Applicable	Not Adopted as Income generated or specific cash flow from individual assets is neither available nor can be estimated with a reasonable level of accuracy.

7. BASES AND METHODOLOGY OF VALUATION

Depreciated Replacement Cost:

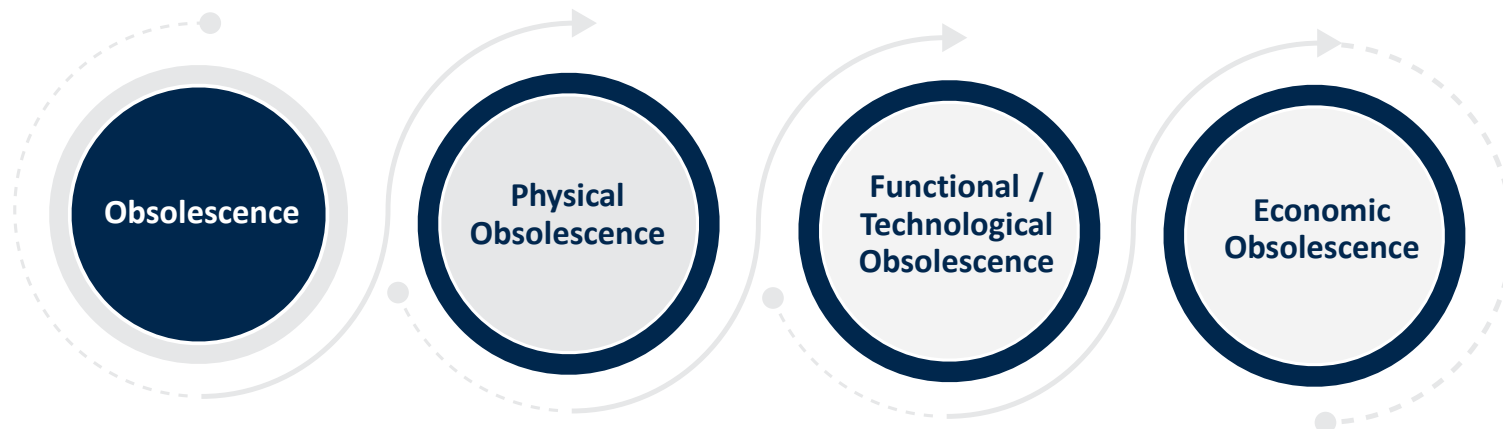
- Depreciated Replacement Cost is further adjusted towards Economic Obsolescence (if any) to estimate the Fair value of the Buildings & Misc. Civil Structures and Plant & Machinery.

Useful life:

- The Useful life is how long Asset is anticipated that the asset could generate financial returns or provide a non-financial benefit.
- The Useful life has been estimated based on our professional judgment with assumption that the adequate standards of preventive and breakdown maintenance would continue to be followed during the estimated residual life of the individual plant and machinery/group of plant and machinery.
- The actual age is based on information made available to us at the time of inspection and/or mentioned in the FAR.

Obsolescence:

- Obsolescence is a notable decline in the value/ competitiveness / usefulness of an asset/ group of assets. Obsolescence occurs generally due to the availability of alternatives that perform better or are cheaper or both, or due to changes in user preferences, requirements, or styles.
- The decline in the value is distinct from fall in value due to physical deterioration or normal wear and tear.
- Obsolescence can arise due to internal or external factors such as when there are less expensive alternatives in the marketplace, or when customer preferences/ market scenario change.



7. BASES AND METHODOLOGY OF VALUATION

Depreciated Replacement Cost:

Obsolescence:

- Physical obsolescence can be (a) curable physical obsolescence, i.e, the cost to fix/cure the obsolescence, or (b) incurable physical obsolescence which considers the asset's age, expected total and remaining life where the adjustment for physical obsolescence is equivalent to the proportion of the expected total life consumed. Total expected life may be expressed in any reasonable way, including expected life in years, mileage, units produced, etc.
- Functional obsolescence is loss in value of assets or usefulness of a property is caused by inefficiencies or inadequacies inherent in the asset/ property itself, when compared to a more efficient or less costly replacement with new technology/ changes in design, materials, or process that result in inadequacy, lack of functional utility, or excess operating costs.
- Technological obsolescence is one form and principal cause of functional obsolescence. Main cause of Technological obsolescence is the rapid pace of technological change.
- Symptoms suggesting the presence of functional obsolescence are excess operating cost, excess capital cost, over-capacity, inadequacy, and lack of utility. Functional obsolescence (if any) and Technological obsolescence are considered and adjusted while estimating the Fair Value of an asset.
- Economic obsolescence, also referred to as external obsolescence, is the loss in value resulting from influences external to the property itself. External conditions causing EO may be international, national, industry-based, or local in origin.
- Economic obsolescence, also referred to as external obsolescence, is the loss in value resulting from influences external to the property itself. External conditions causing Economic Obsolescence may be international, national, industry-based, or local in origin.
- Some common causes of Economic Obsolescence are
 - Increased cost of raw materials, labor, or utilities
 - Reduced demand for the product / Increased competition
 - Changes in neighborhood social or economic factors
 - Weakness in economics of the industry
 - Loss of material and/or labor sources
 - Passage of new legislation / Changes in ordinances
 - Proximity to negative environment influences
- Economic obsolescence is having direct impact on Fair Value of an asset/ property. While estimating the value based on cost approach or market approach considering the going concern concept, effect of loss of value due to Economic Obsolescence is not considered in DRC. Hence, while estimating the Fair Value of an asset/ property, Economic Obsolescence has to be adjusted in the calculated Depreciated Replacement Cost.
- However, in absence /unavailability of data from the company for future projection and in turn going forward to calculate the Enterprise Value of the company, current industry outlook, current situation of company. Based on the above factors, we have not considered economic obsolescence for this valuation exercise.

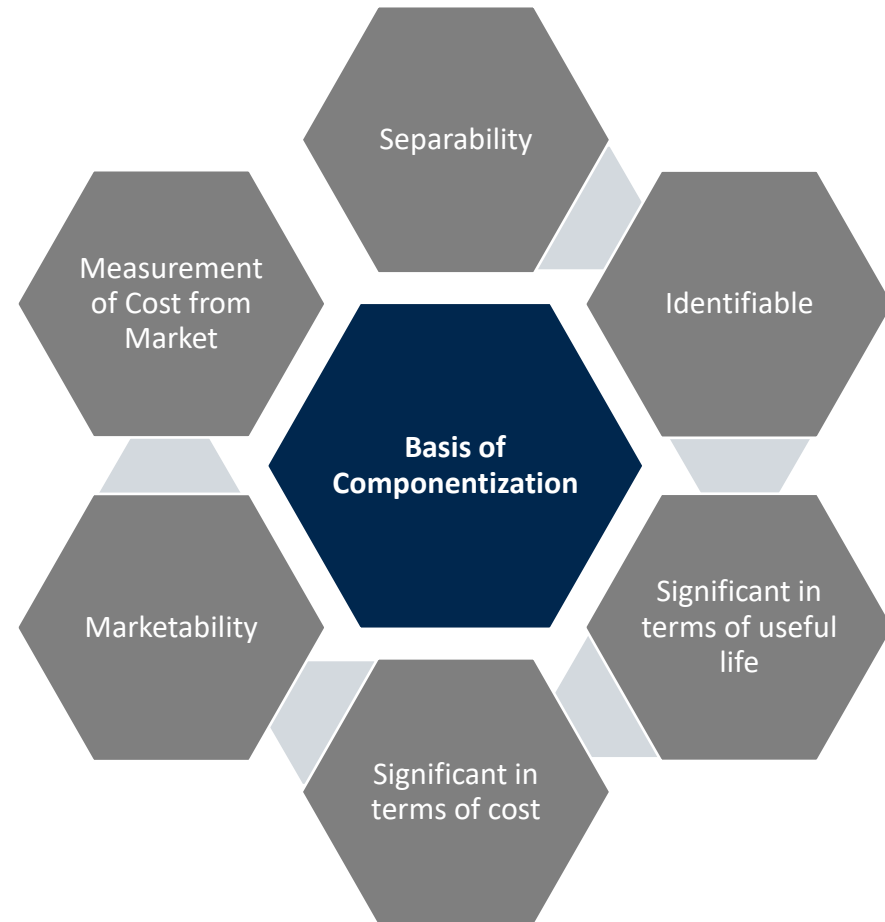
7. METHODOLOGY FOR COMPONENTIZATION

Componentization:

- We have requested the relevant information, data and documents to conduct the componentization and estimation of useful life of specified tangible fixed assets of CSPPL.
- Following details have been received/Collected for the Building/Civil Structures and Plant & Machinery of company during our site visit.
 - Building/Civil Structure: List of Buildings, built up area, year of construction and major technical specification
 - Plant & Machinery: Fixed Asset Register, installed capacity of individual unit, list of machinery and production data
 - The Major Plant & Machinery, Equipment from raw material to finished product and major buildings have been physically inspected at site from the list and as per the information provided by the company.
- Under IFRS (IAS 16), an item should be separated into parts (components) when the cost of those parts is significant in relation to the total cost of the item. The rationale behind componentization is quite simple and logical – not all components of a fixed asset that has been acquired, have the same useful life and furthermore, they may wear down or depreciate at different rates throughout their life. Therefore, it is appropriate under the accounting “matching principle”, to depreciate each significant component separately over its useful life.
- If the cost of a Component of an asset is Significant to total cost of the asset and Component’s useful life is different from the useful life of the asset, in this scenario the useful life of Component shall be determined separately. Componentization approach to depreciation has been adopted.
- While identifying the component of asset as a whole, the following factors are taken into consideration.

7. METHODOLOGY FOR COMPONENTIZATION

- Identification of major components has been done based on the factors shown in the adjacent chart of “Basis of Componentization”.
- The unit wise identification of major component and their contribution in overall unit cost is estimated inter-alia based on the following factors and our professional judgement :
 - Component-wise breakup extracted from the FAR of CSPPL
 - Component-wise breakup extracted from the comparable plant from our internal database;
 - Discussion with the Company’s technical personnel/respective unit heads
 - Physical data collection during our visit



7. METHODOLOGY FOR COMPONENTIZATION

Useful Life:

- The useful life of an asset is the period over which an asset is expected to be available for use by an entity, of the number of production or similar units expected to be obtained from the asset by the entity.”
- While estimating the useful life, we have considered the anticipated period during which the asset could generate returns or provide a financial benefit.
- The useful life will be estimated based on our professional judgment with assumption that the adequate standards of preventive and breakdown maintenance would continue to be followed during the estimated residual life of the individual plant and machinery/group of plant and machinery, buildings and structures. Our professional judgment is based on the visual inspection of the assets, discussion with technical team of the plant and not on the basis of latent characteristics/defects of the assets.
- The actual age is based on information made available to us at the time of inspection/ Year of capitalization in Fixed asset Register.
- While estimation of useful life of an asset, the various factors are taken into consideration as shown in chart.
- The estimated useful life is estimated inter-alia the following and our professional judgement:
 - Useful life as per the Companies Act, 2013;
 - Discussion with the Companies’ technical personnel/ respective unit heads for estimated useful life of major components and historical repairs and maintenance practices followed by the Company;
 - Condition of the plant and machinery based on the visual inspection during our visit; and
 - Useful life estimated for major components of similar plant from our internal database



7. METHODOLOGY FOR FAR PREPARATION

Fixed Asset Register (FAR) Preparation:

- For FAR preparation, the Unit name, asset name, supplier/manufacture, capacity/technical specification, quantity, year of capitalization has been considered based on the details provided by the company officials.
- Listing of asset/component has been selected as per the componentization methodology mentioned in the basis and methodology chapter.
- For, miscellaneous assets like furniture & fixtures, office equipment, vehicles, computers etc. has been listed in the FAR based on the inputs provided by the company officials.
- Mapping of new line entries of FAR created by RBSA with the old-line entries in FAR shared by company has been done based on the input and guidance provided by the company officials.
- The create the unique asset code of each asset of respective unit is not part of this exercise.
- The assets/projects under capital work in progress are not part of this exercise.
- Fixed asset register mainly comprises Unit name, asset name, supplier/manufacture, capacity/technical details, quantity, year of capitalization, gross current replacement cost and fair value as on valuation date i.e. 24th October, 2024.
- As discussed with company officials, it is not possible to map the physical list of misc. asset with the shared FAR. However, as informed all the physical asset available at site were capitalized in FAR and visa-a-vis. Hence, the said misc. asset entries captured as it is along with their gross block and book value mentioned in shared FAR without any changes.

FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

8

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

Restriction on use of Valuation Report:

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

Responsibility of RV:

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

Accuracy of Information:

- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Moreover, except where otherwise stated in the Report, we have not subjected the financial and other pertinent information in the Report to inspections / investigations / verification / validation procedures.

Legal and other issues:

- Our valuation is primarily from a business perspective and has not considered various legal and other corporate structures beyond the limited information made available. The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. 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.
- Any matters related to legal title and ownership are outside the purview and scope of this Valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has been obtained while conducting this valuation exercise. The reader is advised to take appropriate legal opinion on the matter while taking any decision on the basis of this report. For the purpose of this exercise, we have assumed that the assets considered under this valuation are owned by the Company and it has a clear and marketable title, free from legal and physical encumbrances, disputes, claims and other statutory liabilities. Further, we have assumed that the subject assets have requisite planning approvals and clearances from appropriate local authorities, and they comply with local development control regulations.
- Valuation may be significantly influenced by adverse legal, title or ownership and/or encumbrance issues. We reserve our right to change the conclusion should any such issue is brought to our notice at a later date.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

Latent defects affecting the Value

- Physical condition in most instances has been determined by observation or indication by others. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever, which may affect value, or for any expertise required to disclose such conditions.

RVs observations are not a warranty

- We have examined the assets described herein exclusively for the purposes of identification and description of the property. The RV's observations and reporting of the subject improvements are for the valuation process and purposes only and should not be considered as a warranty of any component of the property. This valuation assumes unless otherwise specifically stated, that the subject is structurally sound and all components are in working condition.

Hazardous conditions/material

- In the absence of a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the subject business or the assets. We are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same. Our valuation takes no such liabilities into account, except as they have been reported to the RV by the client or by an environmental consultant of the client, and then only to the extent that the liability was reported to us in an actual or estimated amount. To the extent such information has been reported to us, the RV has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

Accuracy of architectural plans

- 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.

Validity of permits and licenses:

- Unless otherwise stated as part of the terms of engagement, the RV has not made a specific compliance survey or analysis of the various permits and licenses under central, state and local laws / regulations applicable to the operation and use of the subject property, and this valuation does not consider the effect, if any, of non-compliance.

Continuation of subject business:

- We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

Independent Third Party:

- We have acted as an independent third party and, as such, shall not be considered an advocate for any concerned party for any dispute. The valuation has been carried out independently to assess the valuation services. We have no present or planned future interest in company or any of its group companies and the fee for this report is not contingent upon outcome of the transaction. Our valuation should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with company.

Valuation assumptions made by us:

- We have made certain assumptions in relation to facts, conditions or 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. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

- Value varies with the purpose and date. This report is not to be referred if the purpose is different other than mentioned.
- The actual realizable value that is likely to be fetched upon sale of the property under consideration shall entirely depend on the demand and supply of the same in the market at the time of sale.
- We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- The real estate market in India lacks transparency; the market is largely fragmented with limited availability of authentic, credible and reliable data with respect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers and other market participants would give a fair representation of market trends. This valuation is therefore based on our verbal market survey of the real estate market in the subject area.
- In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us 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. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
- Transaction costs pertaining to the sale of assets have not been considered while estimating at the Fair Value.
- The subject valuation exercise is based on prevailing market dynamics as on the date of the valuation and does not take into account any unforeseeable developments which could impact the same in the future.
- All physical measurements and areas are approximate in nature. The actual age is based on FAR and as per information made available to us at the time of inspection.
- 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.
- The remaining Useful life of buildings, misc. civil structures and plant & machinery is approximate in nature and is based on our professional judgment. Our professional judgment is based on the visual inspection of the assets and not on the basis of latent characteristics/defects of the assets.
- The estimated Market Value, which is defined in the Report, is subject to change with market fluctuations over time. The Fair Value is highly related to exposure, time, promotion effort, terms, motivation and conclusions surrounding the offering. The value estimate(s) considers the productivity and relative attractiveness of the assets, both physically and economically, in the open market.
- The physical condition of the improvements was based on visual inspection. No liability is assumed for the soundness of the structure since no engineering tests were made at the site. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever, which may affect value, nor for any expertise required to disclose such conditions.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

- Any environmental due diligence or study is outside the scope of this Engagement; therefore no such due diligence or study has been carried out by RBSA. We have assumed that the subject asset complies with all environmental laws and regulations, and that there are no substances, environmental or pollution related encumbrances / issues which may adversely affect its value, utility or marketability. We have not carried out any due diligence with respect to any asset retirement obligations (ARO). Any such liability would have to be adjusted against the valuation.
- The inspection, due diligence and condition assessment of the asset was made by individuals generally familiar with valuation assessment of such assets. However, we do not opine on, nor are we responsible for its conformity to any health, safety, environmental or any other regulatory requirements that were not readily apparent to our team of experts during their inspection.
- No soil analysis or geological or other technical studies were made in conjunction with the report, nor were any water, oil, gas or other subsurface mineral and use rights or conditions investigated. Any environmental due diligence or study is outside the scope of this Engagement; therefore no such due diligence or study has been carried out by RBSA. We have assumed that the subject asset complies with all environmental laws and regulations, and that there are no substances, environmental or pollution related encumbrances / issues which may adversely affect its value, utility or marketability.
- Our assessment does not include updating of the reports after submittal to the client, provision of technical, commercial, legal, tax and regulatory due diligence services.
- Our 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 our prior written approval for any purpose other than the purpose for which it is prepared.
- Possession of this report or any copy thereof does not carry with it right of publication. No portion of this report shall be disseminated to third parties through prospectus, advertising, public relations, news or any other means of communication without the written consent and approval of RBSA.
- This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account.
- We reserve our right to alter our conclusions at a later date, if it is found that the data provided to us by the company official/ client was not - reliable, accurate or complete in any material respect.
- This report is further governed by our standard terms and conditions of professional engagement; offer or contract.
- Other observations, assumptions and limiting conditions, as appropriate, are also mentioned in respective sections of this report and annexures.
- RBSA has relied upon the information/data related to building and plant and machinery provided by the company during the course of this valuation exercise. Further, we have been provided with the fixed assets register (FAR) as on 30th September, 2024 and same has been considered for the purpose of this valuation exercise. We reserve our right to alter the conclusions should any such information/data are brought to our knowledge at a later date.
- The FAR comprises of asset class, asset name, asset details, quantity, gross block and book value as on 30th September, 2024. As informed by the company officials, the gross block mentioned in the FAR is not the original historical cost.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

- The physical verification of specified tangible fixed assets of Crest Steel & Power Private Limited (CSPPL) has been carried out from 21st October 2024 to 24th October 2024 in the presence of company representative. As per the verbal information provided by the company officials there is no change in the physical status of the asset from the date of FAR i.e. 30th September, 2024 to the date of site inspection and same has been considered for the purpose of this exercise.

Specific to Land & Buildings

- We have not verified the title deeds of the properties with the records of registrar's office as this is beyond the agreed scope of our services stated in our engagement letter.
- We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. 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 by this report and a good title is assumed.
- The RV has endeavored to visually identify the land boundaries and dimensions; however, he is not a surveyor. So, where there is a doubt about the precise position of the structures, it is recommended that a Licensed Surveyor be contacted.
- Please refer respective Annexure A for Observations, Assumptions and Limiting conditions pertaining to Land of Crest Steel & Power Private Limited (CSPPL).
- The approved building plans as well as details pertaining to buildings and other civil structures like set of working drawings (architectural and structural), foundation details, structure wise quantities of major materials like concrete,

Reinforcement Steel, Structure Steel, copies of major construction contracts, structure wise detailed technical specification etc. have been asked for this valuation exercise but the same has not been furnished to us. For the purpose of this valuation exercise, it has been assumed that all the buildings/structures exist on the site are constructed as per the existing guidelines / development control regulations of all relevant authorities and will eventually get /already received the approvals/ completion certificates from the concerned authorities, as and when due as the case may be.

- The list of building comprises of building name, built up area, year of construction, height of building has been furnished to us and same has been considered for the physical verification of the buildings and misc. civil structures at the time of our site inspection.
- The Approved Building Plans by Local Government Authorities is provided to us. At the time of site inspection, we have observed that the subject buildings are not precisely constructed as per the approved plan. Further during the site visit, we have measured the built-up area of few buildings and found that it is more or less in line with the built-up area mentioned in the building list furnished to us. Hence, we have adopted the total built-up area 19,253 SMT as per the building list provided to us for this valuation exercise.
- It may be mentioned that we reserve our right to alter this valuation report if a copy of Approved building plan is furnished to us on a later date and may comprise of area different than the adopted for this valuation exercise and hence the valuation may get affected.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

Specific to Buildings and Misc. Civil Structures

- The technical specification of the building has been considered based on the data collected during our site inspection and based on our physical inspection.
- The year of construction of the buildings and miscellaneous site infrastructure has been adopted as per the building list and verbal information provided by the company/client.
- The area of the boundary wall has not been provided to us. Hence, the area of Boundary wall has been measured on the google earth tool and considered the same for this valuation exercise.
- We have not been furnished with the copy of Commencement/Raja Chiththi, B.U. Permission, Occupancy certificate and other building approvals for subject property. This valuation was performed under the condition that all the approvals from concern authorities are available with client/company.
- Further, it has been assumed that all the buildings/structures exist on site and are constructed as per the existing guidelines/development control regulations of all relevant authorities and will eventually get/already received the approvals/ completion certificates from the concerned authorities, as and when short-term.
- We have carried out the valuation of buildings and other civil structures on the basis of our site inspection, normal industry practice and the abovementioned limited information made available to us.
- It may be noted that we reserve our right to alter this valuation report, if the built-up areas of buildings other than that considered for this valuation exercise are furnished to us on a later date.
- The balance Useful life is approximate in nature and is based on our professional judgment. Our professional judgment is based on the visual inspection of the assets and not on the basis of latent characteristics/defects of the assets.
- It may be noted that we reserve our right to alter this valuation report, if the built up area and year of construction of buildings other than that considered for this valuation exercise is furnished to us on a later date.
- Company has incurred cost towards development and laying of railway siding nearer to plant location. The said work has been done by company on land which is of short-term lease of one year and leased out to company by Government of India – South-East Central Railway (Licensor). As per the license agreement, there is no lock in period, no compensation to licensee (company/CSPPL) after the expiry/termination of lease. Further, as per the agreement, upon the termination of the lease, licensee need to restore the land and hand over to licensor. In this scenario and short-term lease, we have considered the salvage/scrap value of the railway siding asset capitalized in FAR (excluding land development cost – which can not be recovered) after applying the proper price escalation indices to gross block of said asset for this valuation exercise. (as informed by company, the gross block of railway siding capitalized in FAR is original historical cost and same has been considered for this valuation exercise.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

Specific for Plant & Machinery

- We have examined the assets described herein exclusively for the purposes of identification and description of the property. The RV's observations and reporting of the subject improvements are for the valuation process and purposes only, and should not be considered as a warranty of any component of the property. This valuation assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- In the absence of a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the subject business or the assets. We are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same. Our valuation takes no such liabilities into account, except as they have been reported to the RV by the client or by an environmental consultant of the client. To the extent such information has been reported to us, the RV has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.
- The Fixed Asset Register (FAR) comprising of information like Asset Class, Asset Name, Asset details (wherever available), Quantity (wherever available), Gross block and book value as on 30th September, 2024 is provided to us and same has been considered for the purpose of this valuation exercise.
- The contract copies/purchase order for the major machinery/equipment have been requested but same has not been furnished to us. As informed by company officials, all the machinery/equipment are newly purchased, indigenous and under the ownership of company only and same has been considered for the purpose of this exercise.
- Project which are under Capital Work in Progress are not part of this exercise.
- The year of capitalization for the component has been considered based on the year mentioned in FAR or year of capitalization of unit to which component belongs to or based on information provided by company officials.
- We have not verified the machinery of RMPP and slag crushing plant in working condition due to some internal issue. However, we have verified all the major machinery of RMPP plant in its ideal condition. Further, as per the verbal information provided by company officials, all machinery/equipment or RMPP and slag crushing plant are in working condition except gyrol crusher, toothed roll crusher, majority of the bag filtration system and jaw crusher. we have considered the cost to cure based on our professional judgement for estimation of fair value.
- Rusting has been observed on majority of the structures of all units. Further, the pollution control system of the majority of the unit require overhauling. Hence, cost to cure has been considered based on our professional judgement while estimating the fair value of such machinery/equipment.
- At the time of site inspection, we have observed that some machinery/equipment like AFBC Boiler, coal handling plant, ash handling plant, solar plant, few crushers in RMPP plant, Gas cleaning tower etc. are not in working condition. As informed by company officials the said machinery are not in use since long time and required major overhauling to put the same in normal working condition. We have considered cost to cure based on our professional judgement while estimating the fair value of such machinery/equipment for the purpose of this exercise.

8. FACTS, OBSERVATIONS, KEY ASSUMPTIONS AND LIMITING CONDITIONS

Specific for Plant & Machinery

- For the purpose of assigning the value of each component, we have first estimate the total replacement cost of unit based on the capacity of unit and allocate/assign the value to each identified component of respective unit based on the weightage of that machinery/equipment on respective section and/or overall unit.
- For the weightage of each identified component of plant & machinery and/or section of respective unit, we have requested the cost breakup and contracts of major items. However, same has not been furnished with us. Hence, in absence of this details the component will be done based on our discussion with the respective unit officials and our internal data base.
- Misc. assets like furniture & fixtures, tools & tackles, office equipment, computers, vehicles etc. have been taken as per the cost mentioned in the books.
- As discussed with company officials, it is not possible to map the physical list of misc. asset with the shared FAR. However, as informed all the physical asset available at site were capitalized in FAR and visa-a-vis. Hence, the said misc. asset entries captured as it is along with their gross block and book value mentioned in shared FAR without any changes.

VALUATION ANALYSIS

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9. VALUATION ANALYSIS

Valuation of Land

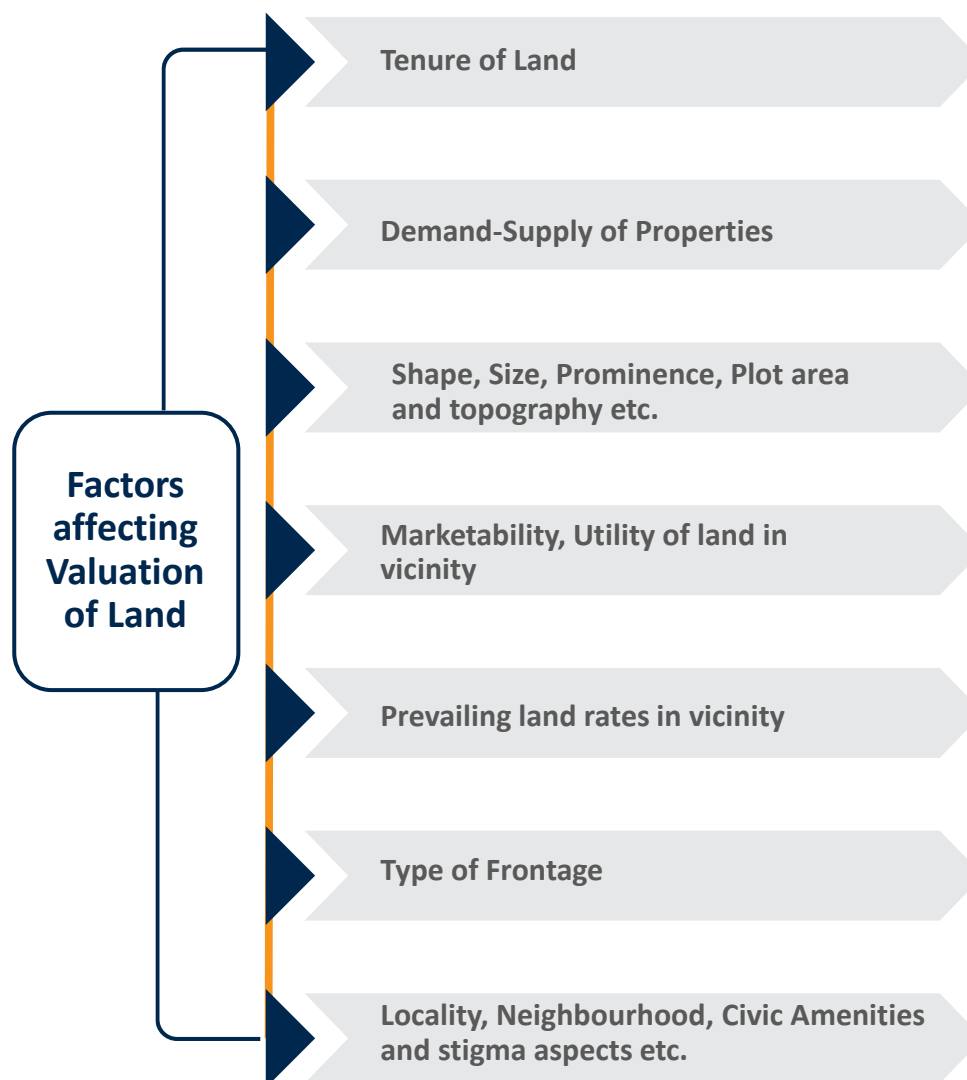
- Market Approach has been adopted for estimating the Fair Value of Land. The Methodology used is Sales Comparison Method Development method.
- Due weightages have been given to factors as shown for Valuation of Land :

Sales Comparison Method:

- The sale transactions or quoted prices of similar or identical Land from an active market are considered for the measurement purpose. If quoted prices of a comparable land is not available, then relevant adjustments are carried out on available sale instances or quotes for estimation of the Fair Value.
- It is difficult to find two identical properties, as they may differ in their physical factors like shape, size, area, location, frontage, access, topography, usage etc. These variations or differences require an adjustment in values while comparison. Some factors of the subject property may be superior, and some may be inferior to the subject property, against which appropriate positive and negative factors will have to apply to the subject property respectively.

Fair Value of Land :

- The estimated Fair Value of land as on 24th October, 2024 is INR 123,00,00,000/- . (Refer Annexure A for more details)



9. VALUATION ANALYSIS

Valuation of Building and Miscellaneous Civil Structures:

- The DRC method under Cost approach of valuation is adopted for the estimation of Fair Value of the buildings and miscellaneous civil structures.

Computation of Replacement Cost of Buildings & Miscellaneous Civil Structures:

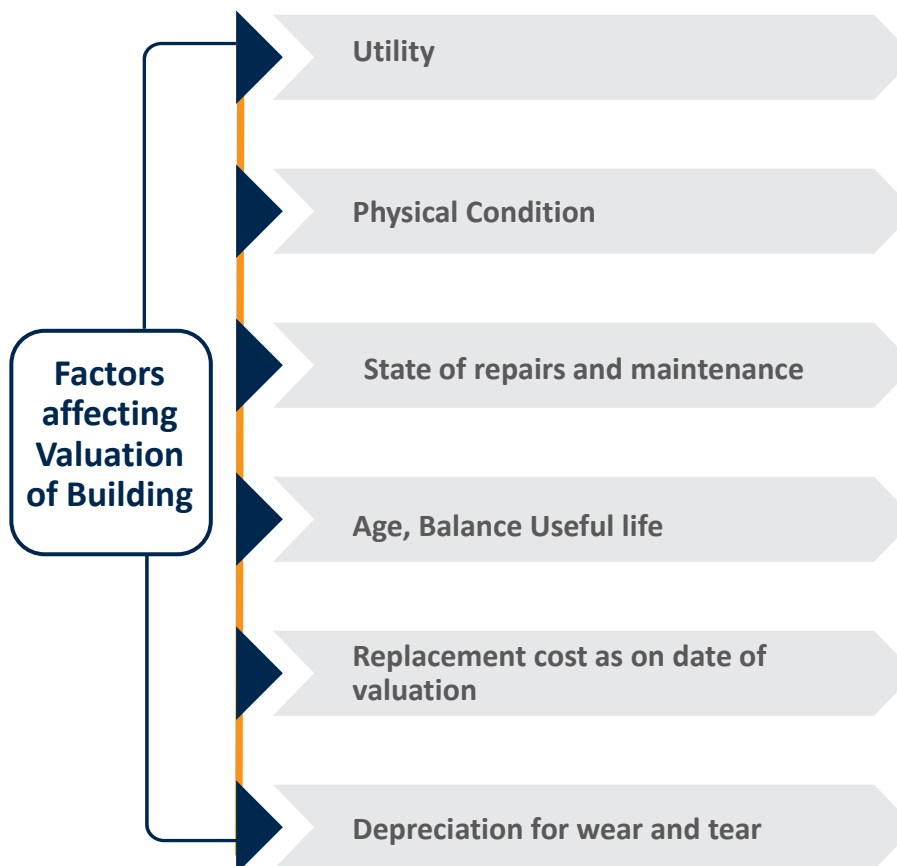
- The Replacement cost is computed by considering the current rate of construction of similar type of building/civil structures. Technical parameters like dimensions, design and specifications, type of foundations, type of structure/construction, specifications of finishes etc. are considered based on our visual inspection and information collected at the time of site inspection.
- It may be noted that the direct / indirect costs have been included while estimating the Current Replacement/Reproduction cost (CRC) of the Buildings and Misc. Structure.

Computation of Depreciated Replacement Cost (DRC) of Buildings & Miscellaneous Civil structures.

- Straight line method of depreciation has been adopted for calculation of depreciation, considering the appropriate percentage of replacement cost as salvage/scrap value.
- Balance Useful life of buildings & misc. civil structure has been estimated based on our professional judgment and representation made by company officials.

Market Value of Buildings and Miscellaneous Civil Structures :

- The estimated Fair Value of buildings and Misc. civil structures as on 24th October 2024 is INR 35,00,67,000/- (Refer Annexure B for more details)



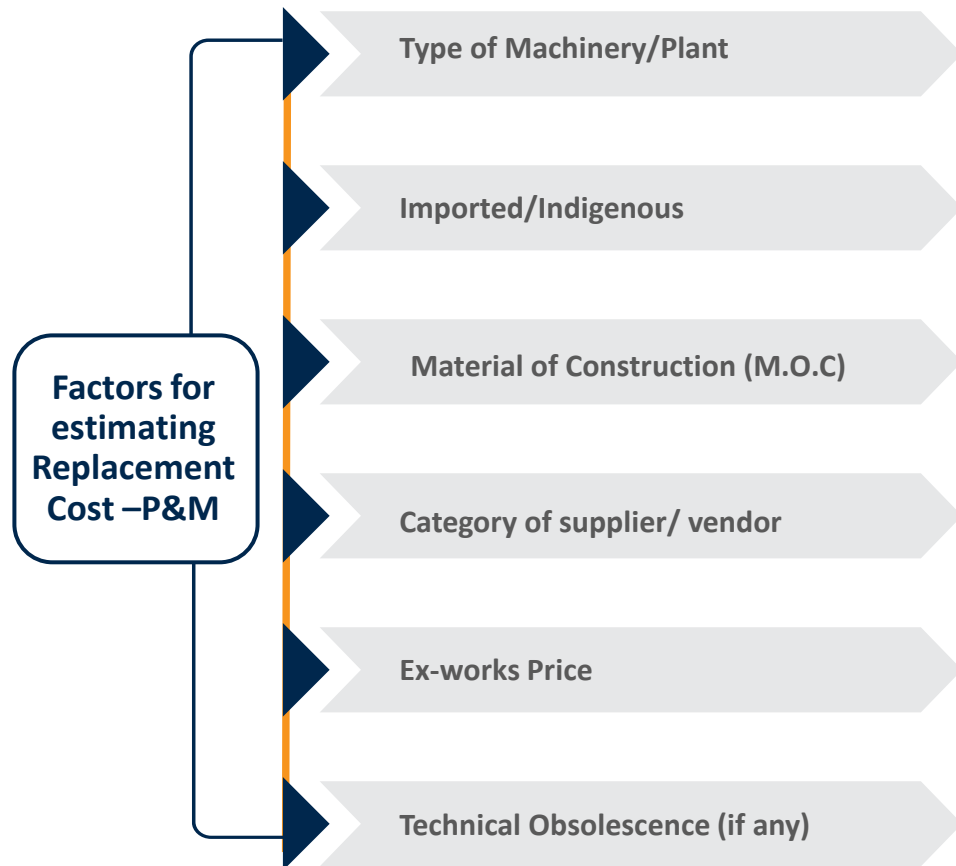
9. VALUATION ANALYSIS

Valuation of Plant & Machinery

- The Valuation of Plant & Machinery is carried out by using depreciated replacement cost method under cost approach of valuation.
- The Depreciated Replacement Cost is derived from the Gross Current Reproduction / Replacement Cost (GCRC) after deduction of depreciation.
- The GCRC means cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.

Computation of Replacement Cost:

- Depending on the availability of the information we have worked out the replacement cost of the assets either by obtaining the budgetary quote from the supplier/manufacturer or by applying price escalation indices to the original cost of plant & machinery or Capacity Benchmarking.



9. VALUATION ANALYSIS

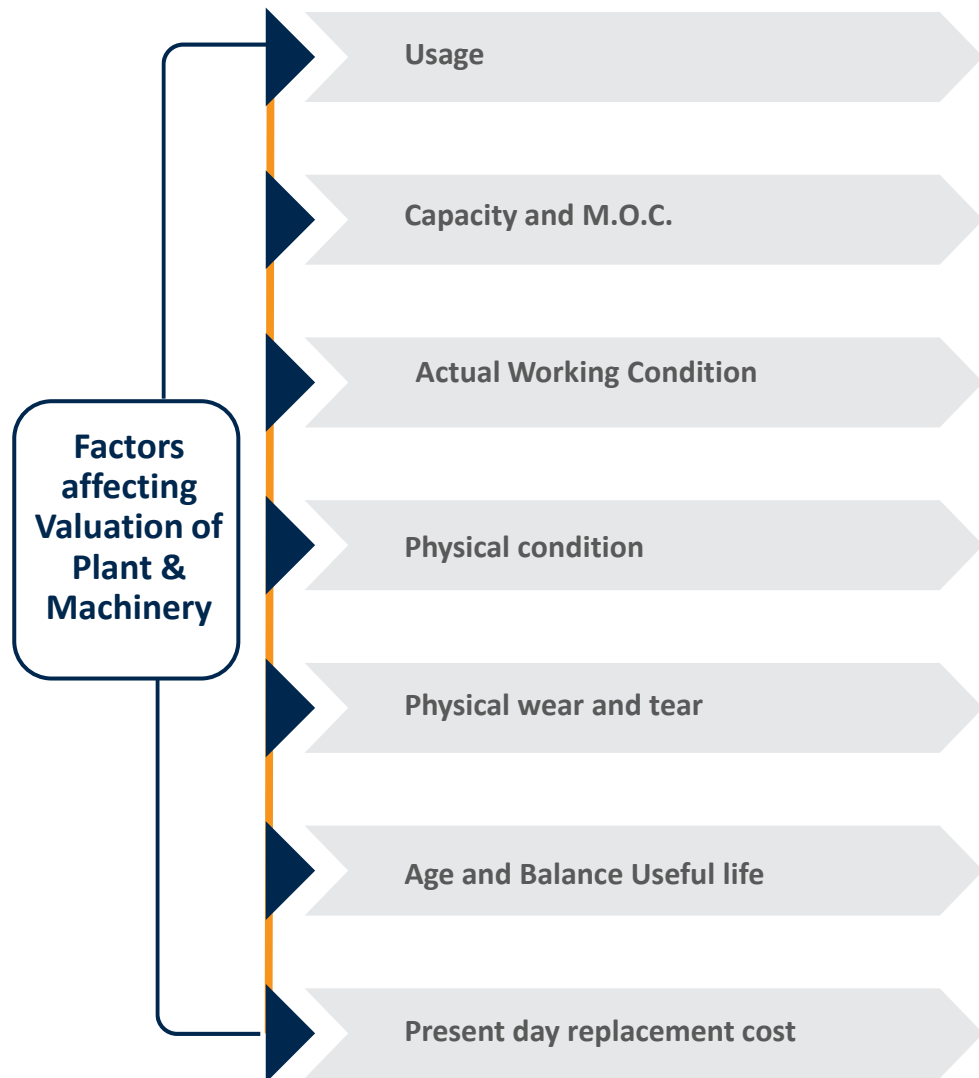
Valuation of Plant & Machinery

Price from Supplier/Manufacturer:

- Current basic price of the asset to be obtained from manufacturer/ vendor by taking budgetary quotations (verbal or written). All other applicable costs such as non-recoverable taxes & duties, transportation, loading/unloading, insurance, erection and commissioning, foundation, other direct and indirect costs etc., as applicable added to the basic price of the asset.

Price Escalation Indices:

- The current replacement cost can also be worked by applying appropriate price escalation indices published by the appropriate agencies to original cost / historical cost of plant & machinery.

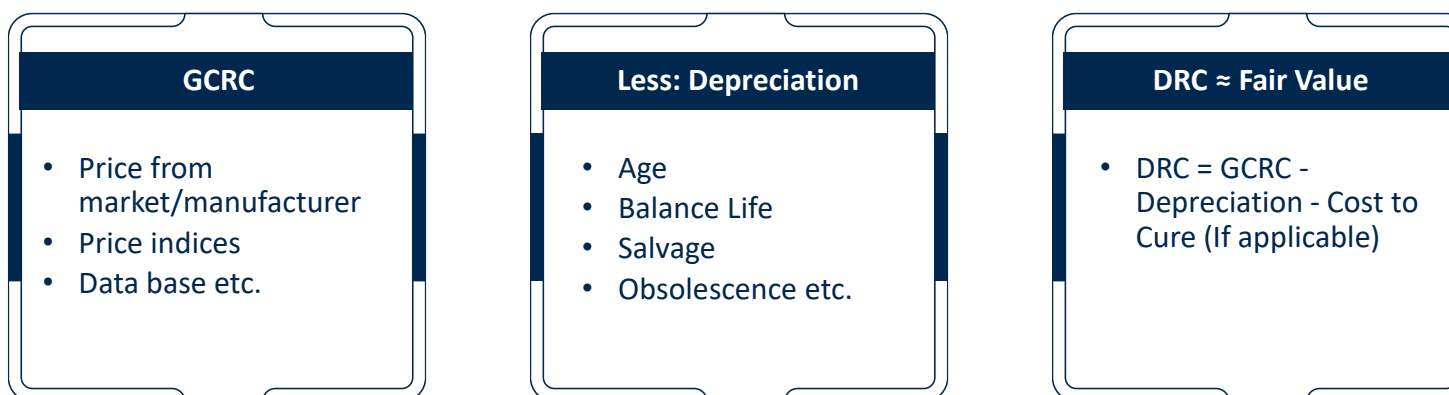


9. VALUATION ANALYSIS

Valuation of Plant & Machinery

Computation of DRC :

- The Depreciated replacement cost (DRC) is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering physical wear & tear and technological obsolescence (if applicable).
- To calculate the depreciation of plant and machinery Straight line method of depreciation has been adopted considering appropriate percentage of replacement cost as salvage/scrap value.
- The computation of DRC can be represented as under:



Fair Value of Plant & Machinery :

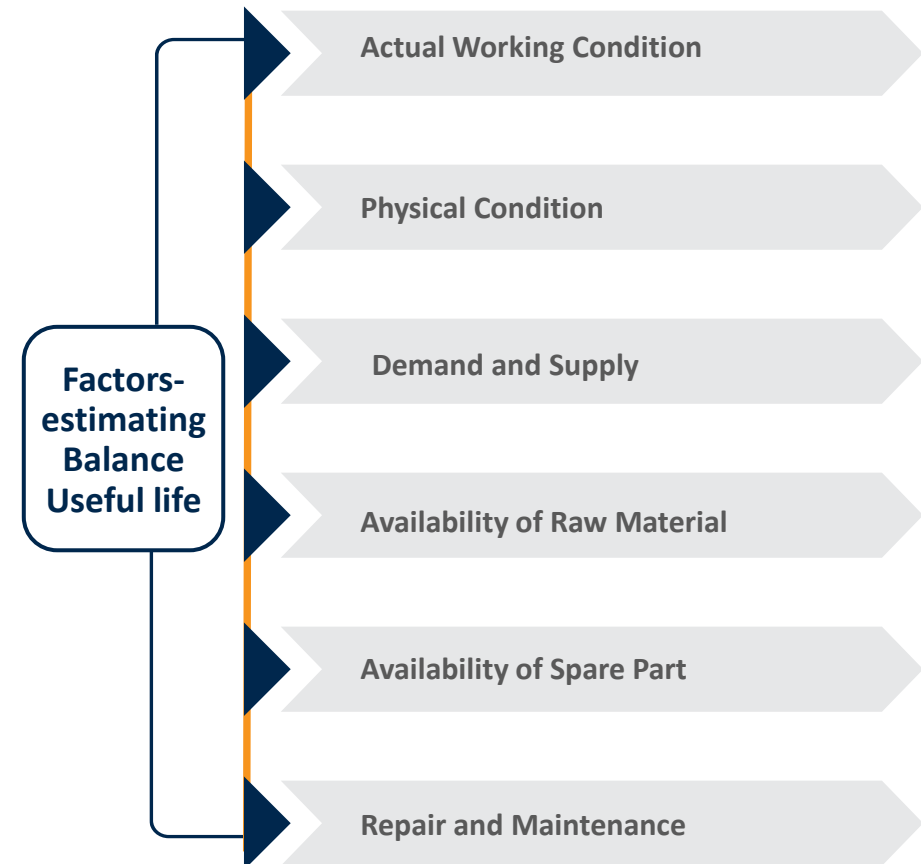
- The estimated Fair Value of plant and machinery as on 24th October 2024 is INR 72,72,50,000/-. (Refer Annexure C for more details)

9. VALUATION ANALYSIS

Valuation of Plant & Machinery

Useful Life:

- The Useful life is how long it is anticipated that the asset could generate financial returns or provide a non-financial benefit.
- The total Useful life has been estimated based on our professional judgment with assumption that the adequate standards of preventive and breakdown maintenance would continue to be followed during the estimated balance Useful life of the individual plant and machinery/group of plant and machinery. Our professional judgment is based on the visual inspection of the assets and not on the basis of latent characteristics/defects of the assets.
- The actual age is based on information made available to us at the time of inspection and/or mentioned in the FAR as on 30th September, 2024.



9. VALUATION ANALYSIS

Valuation Summary

- Fair Value of Specified Tangible Fixed Assets (Land, Building and Plant & Machinery) of Crest Steel & Power Private Limited (CSPPL) as on 24th October 2024 is as follows:

CONCLUSION

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10. CONCLUSION



Based on the review and analysis of the information provided by the company as well as analysis of industry and macro economics trends as on valuation date, the estimated Fair Value of Tangible fixed assets of Crest Steel & Power Private Limited (CSPPL) is summarised below:

The 'Fair Value' basis of Valuation has been adopted for the valuation of tangible fixed assets.

The Fair Value of Other Fixed Assets which includes computers hardware/software, furniture & fixture, office equipment, tools & tackles and Vehicles is adopted as per their respective Book Value as on 30th September 2024.

Transaction Costs pertaining to the sale/purchase of the assets have not been considered while estimating the Fair Value. The valuation is not intended for general circulation or publication and is not to be reproduced without our prior written consent or used for any purpose other than for the purposes stated above and cannot be relied upon by third parties. We will not accept any responsibilities to any other party to whom the report may be shown or who may acquire a copy of this report.

The Fair Value of Tangible Fixed Assets of Crest Steel & Power Private Limited (CSPPL) as on 24th October 2024 is estimated at INR 232 Crore.

10. CONCLUSION

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account. We thank you and your team for the cooperation extended to us during this engagement.

Transaction Costs pertaining to the sale/purchase of the assets have not been considered while estimating the Fair Value. The valuation is not intended for general circulation or publication and is not to be reproduced without our prior written consent or used for any purpose other than for the purposes stated above and cannot be relied upon by third parties. We will not accept any responsibilities to any other party to whom the report may be shown or who may acquire a copy of this report.

Our valuation is based on the generally accepted valuation methodologies. Another Valuer may use different methodologies or may arrive at different valuation using the same/other methodologies depending upon their perceptions and the parameters that they feel have a greater significance. This conclusion does not reflect the outcome of due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and our valuation, and that change could be material.

This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the Report as a whole is taken into account. We thank you and your team for the cooperation extended to us during this engagement.

DISCLAIMER

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11. DISCLAIMER

- a) RBSA has been appointed as an independent valuation advisor by Crest Steel & Power Private Limited ("Client" or "CSPPL" or "Company") vide appointment letter no. 4232200928 dated 13th September, 2024 to provide physical verification, componentization and valuation of Specified Tangible Fixed Assets of CSPPL for internal management review purpose.
- b) RBSA has carried out analysis of the financial and other information provided by/ on behalf of the management of the Company (the "Management") and other pertinent information available either in public domain or subscribed databases. Such information has been relied upon by RBSA for the valuation of Land, Building and Plant & Machinery of the Company. *These data points have been enlisted in our Sources of Information section of this report.*

Range of Value Estimate

- c) The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client's request, we have provided a single value for the overall Value/es of the subject assets, derived as an arithmetic average of the range of Value/es. Whilst, we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value/es.

Reliance on the representations of the owners/clients, their management and other third parties

- d) The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the

owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

No procedure performed to corroborate information taken from reliable external sources:

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

Achievability of the forecast results:

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

11. DISCLAIMER

No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged:

- h) The actual market price achieved may be higher or lower than our estimate of value (or range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

Compliance with relevant laws:

- i) The report assumes that the 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 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 us.
- j) A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. RBSA is under no obligation to update, revise or reaffirm the valuation for events or transactions relating to the Company or changes in the market and economy trends and valuation parameters occurring subsequent to the Valuation Date.
- k) Our valuation is primarily from a business perspective and does not take into account various legal and other corporate structures beyond the limited information provided to us by the Management. The value analysis recommendation is not

intended to represent the value at any time other than the date that is specifically stated in the report.

- l) Value is an estimated worth equivalent of an asset on a particular date based on certain facts and findings varies with its purpose. The value that is likely to be realised upon sale shall entirely depend on the demand and supply of the same at the time of sale. The report is not to be referred if the purpose is different other than the mentioned one.
- m) Our services are not designed to and are not likely to reveal fraud or misrepresentation by the Management or by external parties. Accordingly, we cannot accept responsibility for detecting fraud (whether by the Management or by external parties) or misrepresentation by the Management or any other person. While performing this assignment, we have assumed the genuineness of all signatures and the authenticity of all documents and/ or copies of documents shown to us. We have also relied upon the veracity of the representations made, and the information provided to us by/ on behalf of the Management. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Client, [the Company'] their directors, employees or agents. In no circumstances shall the liability of RBSA, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report will exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

Multiple factors affecting the Valuation Report:

- h) 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.

11. DISCLAIMER

- l) Our report can be used by the Client only for the purpose, as indicated in this report, for which we have been appointed and cannot be used or relied by the Client for any other purpose or by any other party for any purpose whatsoever. We are not responsible for the unauthorized use of this Report. We are not responsible to any other person for any decision of such person based on this report. Any person intending to provide finance / invest / divest in the shares / business of the Company or its other group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person (other than the Client) choose to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to RBSA. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement specifically pronounced in the report to do so. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.
- m) This report forms an integral whole and cannot be split in parts. The outcome of the valuation can only lead to proper conclusions if the report as a whole is taken into account.
- n) The fee for our services is not contingent upon the results/ value conclusion of the engagement. This Report is subject to laws of India.

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

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

Unavailability of information as on Valuation Date:

- o) The Fair Value of assets of the company have been performed on the details provided by management as of the valuation date. On the other hand, no financial information as of the valuation date was available for company, hence we have relied on the latest available financial statements. The management has also confirmed that there has not been any material change in the financials of company since the last available financial statements. Hence, due to the lack of financials as of the valuation date, I /we have considered financials as on the last available financial statements as the proxy for the financial position as of the valuation date, valuation report may change post availability of such information.

11. DISCLAIMER



p) CAPITAL CONTRIBUTION

Disclosure pursuant to the Companies (Registered Valuer and Valuation) Rules, 2017:

Total fixed capital contribution by the partners of RBSA Valuation Advisors LLP as on 1st April 2023 is INR 10,30,00,000/-.

Individual Partner's fixed capital contribution as on 1st April 2023: INR 7,00,00,000/- by Rajeev Ramesh Shah, INR 3,00,00,000/- by Tejal Rajeev Shah, INR 2,00,000 each by Manish Dhirajlal Kaneria, Mitali Jitendra Shah, Sandesh Shamprasad Trivedi, Nilesh Viththalbhai Kansagara, Arpit Manoharlal Sharma, Dattatraya Lingappa Kota, Jignesh H Shah, Jigar D Kothari, Nirav S Rami, Samir Dinesh Shah, Neha Mehul Ghelani, Ravishu, Vinod Shah, Tejas Kumarpal Shah, Nitin Gordhandas Mukhi and Saurabh Satish Upadhyay.

Please refer <https://rbsa.in/disclosure-fcc> for further information.

EXHIBIT – PHOTOS

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12. EXHIBIT - PHOTOS

DRI-1 & 2



Rotary KILN- 1



Rotary KILN- 2



WHRB -1



WHRB -2



KILN Cooler



Cooling Tower

12. EXHIBIT - PHOTOS

DRI-1 & 2



Weight Feeder For KILN -2



Conveyor For KILN



Day Bin 1 & 2



PCC Room



SLD Drive Room



Transformer

12. EXHIBIT - PHOTOS

Captive Power Plant



TG Set



AFBC



DG Set



Condenser



Deaerator



CHP

12. EXHIBIT - PHOTOS

Captive Power Plant



Panel Area



33 KV Bay Area



Compressors



Transformer



Crane



CPP Building

12. EXHIBIT - PHOTOS

DM Plant & Cooling Tower



DM Raw Water Tank & Pump



DM Plant



Neutralizing Tank



Cooling Tower Pump Area



CWP 1 & 2



Cooling Tower

12. EXHIBIT - PHOTOS

SMS



Induction Furnace -1



Induction Furnace -2



Shearing Machine



Ground Hopper Area



Weight Feeder



Product Storage Yard

12. EXHIBIT - PHOTOS

Raw Material Processing Plant Area (RMPP – Coal & Iron Circuit)



**Raw Material Storage
Area**



Ground Hopper Area



Ground Hopper



Screening House for Coal Circuit



Tooth Roll Crusher



Belt Conveyor



Vibrating Screen



Day Bin