



BEYOND VALUE

Valuation of Immovable & Movable Assets belonging to

Bhilai Engineering Corporation Limited

Private Purpose

October 2024

**Kakode Associates
Consulting Private Limited**

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KACPL/PVT/YD-PG/SN/24-25/MG2092

October 09, 2024

To,
Lloyds Engineering Works Limited
A-2, 2nd Floor, Madhu Industrial Estate,
Pandurang Budhkar Marg, Lower Parel,
Mumbai, Maharashtra 400013

Subject: Valuation of Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India, belonging to **Bhilai Engineering Corporation Limited (BECL)**.

Dear Sir,

We refer to the engagement letter dated **October 01, 2024** engaging **Kakode Associates Consulting Private Limited (K&A)** for undertaking the valuation of Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India belonging to **BECL**.

This valuation report has been prepared as per the scope of work laid out in the engagement letter dated **October 01, 2024**. **BECL** shall be the only intended user of this report. **K&A** is not responsible for the unauthorized use of this report.

Our scope of work is limited to the valuation date **October 09, 2024** and the analysis of any change, event or circumstance that may have occurred in the business and its market after the valuation date is out of our scope. The information used by us in preparing this report has been obtained from a variety of sources like our own data bank, online research and relevant documents provided by the officials of **BECL**.

We trust our valuation report meets your requirements. For any further clarification please feel free to contact us at +91 9987028905.

Yours Sincerely,

For Kakode Associates Consulting Private Limited



Ameet Pai Kakode

Founder & CEO



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Executive Summary

Lloyds Engineering Works Limited ("LEWL") appointed Kakode Associates Consulting Private Limited (K&A) vide engagement letter dated **October 01, 2024** for undertaking the Valuation of Immovable & Movable Assets of belonging to **Bhilai Engineering Corporation Limited ("BECL")** for estimation of Market Value, Realizable Value & Distress Sale Value of assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India.

Based on our appraisal and analysis, it is our considered opinion that the value of the said assets are as under:

Client Name	Bhilai Engineering Corporation Limited ("BECL")
Asset being Valued	Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India
Intended User	Lloyds Engineering Works Limited (LEWL) & BECL
Valuation Currency	Indian Rupee (INR)
Purpose of Valuation	To estimate the Market Value, Realizable Value and Distress Sale Value for private purpose
Standards of Valuation	International Valuation Standards, 2022
Basis of Value	Market Value & Liquidation Value
Premise of Market Value	Highest and Best Use
Premise of Realizable Value	Current or Existing Use
Premise of Distress Sale Value	Orderly Liquidation
Valuation date	October 09, 2024
Valuation Approaches	Market Approach and Cost Approach
Valuation Methods	Market Approach – Sales Comparison Method Cost Approach – Replacement Cost Method
Market Value	INR 82.50 Crore
Realizable Value	INR 75.23 Crore
Distress Sale Value	INR 60.84 Crore



The valuation summary of all the Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India as on **October 09, 2024** is as tabulated below:

Particular	Values in INR Crore		
	Market Value	Realizable Value	Distress Value
Land	19.20	18.24	15.36
Site Development	0.30	0.29	0.23
Building	23.00	20.70	17.25
Plant & Machinery	40.00	36.00	28.00
Total	82.50	75.23	60.84

Thus, the Market Value of Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India as on **October 09, 2024** using **Market Approach** and **Cost Approach** of Valuation is worked out to be **INR 82.50 Crore**. The Realizable Value of the said assets shall be **INR 75.23 Crore** and the Distress Sale Value of the said assets shall be **INR 60.84 Crore**.



Scope of Work

Lloyds Engineering Works Limited ("LEWL") appointed Kakode Associates Consulting Private Limited (K&A) vide engagement letter dated **October 01, 2024** for undertaking the Valuation of Immovable & Movable Assets of belonging to **Bhilai Engineering Corporation Limited ("BECL")** for estimation of Market Value, Realizable Value & Distress Sale Value of assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India.

The broad scope of work included the following:

- ❖ The valuation of assets shall include the valuation of Immovable & Movable Assets of **BECL**.
- ❖ The International Valuation Standards (**IVS**) 2022 shall be the standards to undertake the said valuation assignment.
- ❖ The basis of Value as per **IVS 2022** shall be as follows:
 - Assessment of **Market Value** which is the **Market Value** under the **Highest and Best Use (HABU)** premise of valuation as on **October 09, 2024**.
 - Assessment of **Realizable Value** which is the **Market Value** under the **Existing and Current Use** premise of valuation under in situ basis as on **October 09, 2024**.
 - Assessment of **Distress Sale Value** which is the **Liquidation Value** under the **Orderly Liquidation** premise of valuation under in situ basis as on **October 09, 2024**.

Currency & Measurement

The Currency used in the report for the valuation of the subject property is in **Indian Rupees (INR)**. All measurements are either in **Sq. Mt. or Sq. ft. or Acre** as this is the prevailing market practice in the most of the countries.

Date of Inspection

With a view to have first-hand information, the above site was visited by our Associate – Mr. Yogendra Diwedi & Mr. Priyanshu Gupta on October 06, 2024 in presence of Factory Manager Mr. Tiwari and Maintenance Head Mr. Jain.



Date of Valuation

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s). The Valuation Date to be considered in this valuation exercise is **October 09, 2024**.

Documents Provided for Valuation Assignment

BECL Team submitted the following documents for our perusal for the purpose of this valuation exercise:

- ❖ Valuation report dated October 07, 2024 issued by LKJ & Associates LLP.

Following points are pertinent here to note -

- We have neither received nor verified any documents other than mentioned above, which were provided to us by BECL Team.



Methodology

This Asset Valuation Report (AVR) assigned to K&A was carried out in the following sequence:

- ❖ Verification of the documents provided by BECL & LEWL, identification of missing information and requesting for the revised list of documents required from BECL & LEWL Team.
- ❖ Visit to the said property.
- ❖ Estimation of Market Value, Realizable Value and Distress Sale Value of Immovable & Movable Assets belonging to BECL.

Definitions as per IVS, 2022

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. The definition of Market Value *must* be applied in accordance with the following conceptual framework:

(a) *"The estimated amount" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.*

(b) *"An asset or liability should exchange" refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.*

(c) *"On the valuation date" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.*



(d) *"Between a willing buyer" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market".*

(e) *"And a willing seller" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.*

(f) *"In an arm's length transaction" is one between parties who do not have a particular or special relationship, eg., parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently.*

(g) *"After proper marketing" means that the asset has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.*

(h) *"Where the parties had each acted knowledgeably, prudently" presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.*

(i) *"And without compulsion" establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.*



The concept of Market Value presumes a price negotiated in an open and competitive market where the *participants* are acting freely. The market for an *asset* could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the *asset* is presumed exposed for sale is the one in which the *asset* notionally being exchanged is normally exchanged. The Market Value of an *asset* will reflect its Highest and Best Use. The Highest and Best Use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The Highest and Best Use *may* be for continuation of an *asset's* existing use or for some alternative use. This is determined by the use that a market *participant* would have in mind for the *asset* when formulating the price that it would be willing to bid.

The nature and source of the valuation inputs *must* be consistent with the basis of value, which in turn *must* have regard to the *valuation purpose*. For example, various approaches and methods *may* be used to arrive at an opinion of value providing they use market-derived data. The Market Approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach *should* be applied, using inputs and assumptions that would be adopted by *participants*. To indicate Market Value using the Cost Approach, the cost of an *asset* of equal utility and the appropriate depreciation *should* be determined by analysis of market-based costs and depreciation.

The data available and the circumstances relating to the market for the *asset* being valued *must* determine which valuation method or methods are most relevant and appropriate. If based on appropriately analysed market-derived data, each approach or method used *should* provide an indication of Market Value. Market Value does not reflect attributes of an *asset* that are of value to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an *asset*. Market Value requires the disregard of any such element of value because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

Liquidation Value is the amount that would be realised when an *asset* or group of *assets* are sold on a piecemeal basis. Liquidation Value *should* take into account the costs of getting the *assets* into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:



- (a) An orderly transaction with a typical marketing period, or
- (b) A forced transaction with a shortened marketing period.

Premise of Value

A Premise of Value or Assumed Use describes the circumstances of how an *asset* or liability is used. Different bases of value *may* require a particular Premise of Value or allow the consideration of multiple Premises of Value. Some common Premises of Value are:

- ❖ Highest and Best Use,
- ❖ Current Use/Existing Use,
- ❖ Orderly Liquidation, And
- ❖ Forced Sale.

Highest and Best Use (HABU)

Highest and Best Use is the use, from a *participant* perspective, that would produce the Highest Value for an *asset*. Although the concept is most frequently applied to non-financial *assets* as many financial *assets* do not have alternative uses, there *may* be circumstances where the **HABU** of financial *assets* needs to be considered. The **HABU** *must* be physically possible (where applicable), financially feasible, legally allowed and result in the Highest Value. If different from the current use, the costs to convert an *asset* to its Highest and Best Use would impact the value. The **HABU** for an *asset* *may* be its current or existing use when it is being used optimally. However, **HABU** *may* differ from current use or even be an Orderly Liquidation. The **HABU** of an *asset* valued on a stand-alone basis *may* be different from its **HABU** as part of a group of *assets*, when its contribution to the overall value of the group *must* be considered. The determination of the **HABU** involves consideration of the following:

- ❖ To establish whether a use is physically possible, regard will be had to what would be considered reasonable by participants.
- ❖ To reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, eg. Town planning/zoning designations, need to be taken into account as well as the likelihood that these restrictions will change.
- ❖ The requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical participant, after taking into account the costs of conversion to that use, over and above the return on the existing use.



Current Use/Existing Use

The *Current Use / Existing Use* is the current way an *asset*, liability, or group of *assets* and/or liabilities is used. The Current Use *may* be, but is not necessarily, also the Highest and Best Use.

Orderly Liquidation

An Orderly Liquidation describes the value of a group of *assets* that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an **as-is, where-is** basis. The reasonable period of time to find a purchaser (or purchasers) *may* vary by *asset* type and market conditions.

Forced Sale

A Forced Sale typically reflects the most probable price that a specified property is likely to bring under all of the following conditions:

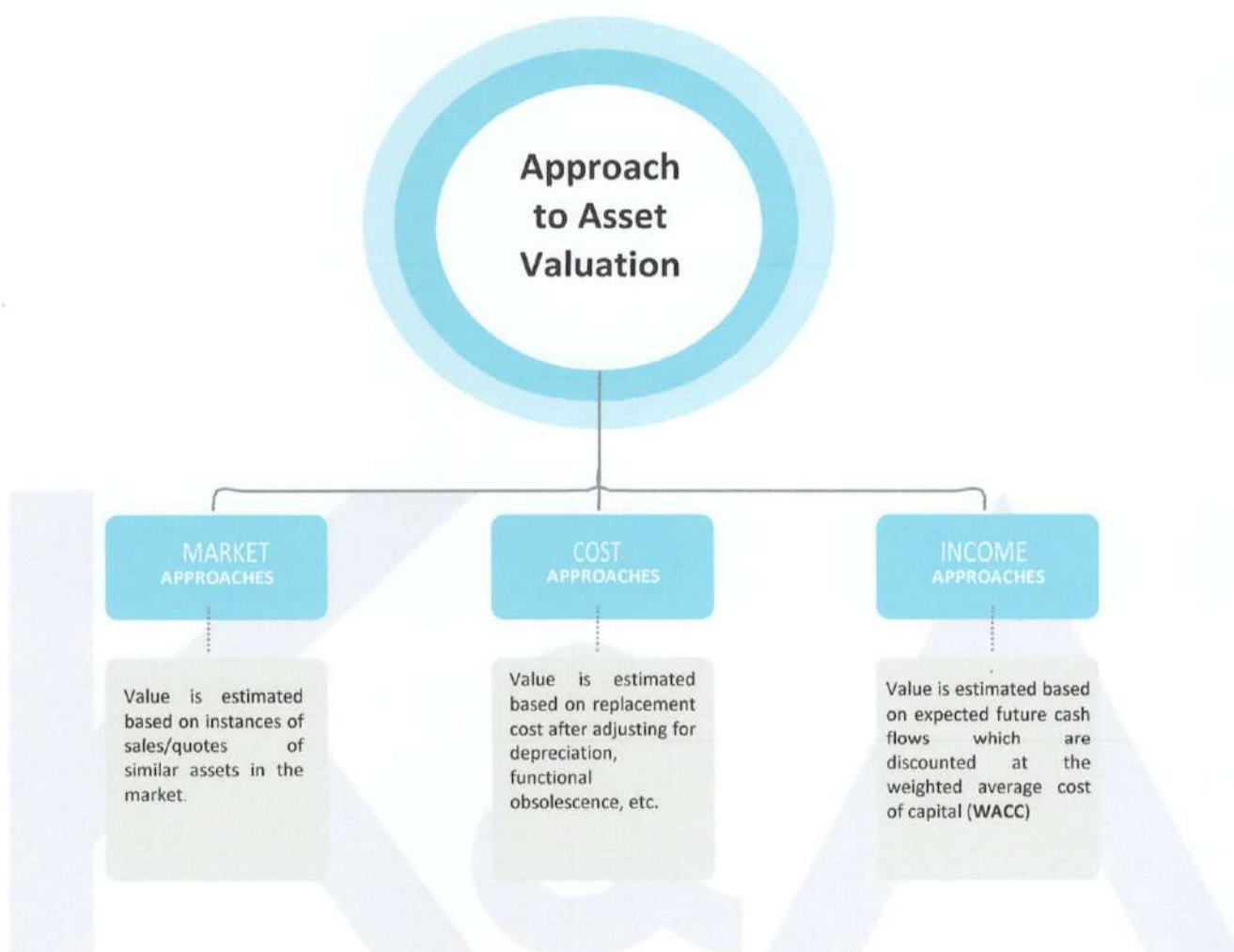
- ❖ Consummation of a sale within a short time period,
- ❖ The asset is subjected to market conditions prevailing as of the date of valuation or assumed timescale within which the transaction is to be completed,
- ❖ Both the buyer and the seller are acting prudently and knowledgeably,
- ❖ The seller is under compulsion to sell,
- ❖ The buyer is typically motivated,
- ❖ Both parties are acting in what they consider their best interests,
- ❖ A normal marketing effort is not possible due to the brief exposure time and,
- ❖ Payment will be made in cash.

The base and premise for this valuation considered for this assignment is as follows:

Particular	Base of Value	Premise of Value
Market Value	Market Value	Highest or Best Use
Realizable Value	Market Value	Current or Existing Use
Distress Sale Value	Liquidation Value	Orderly Liquidation



Approach of Valuation

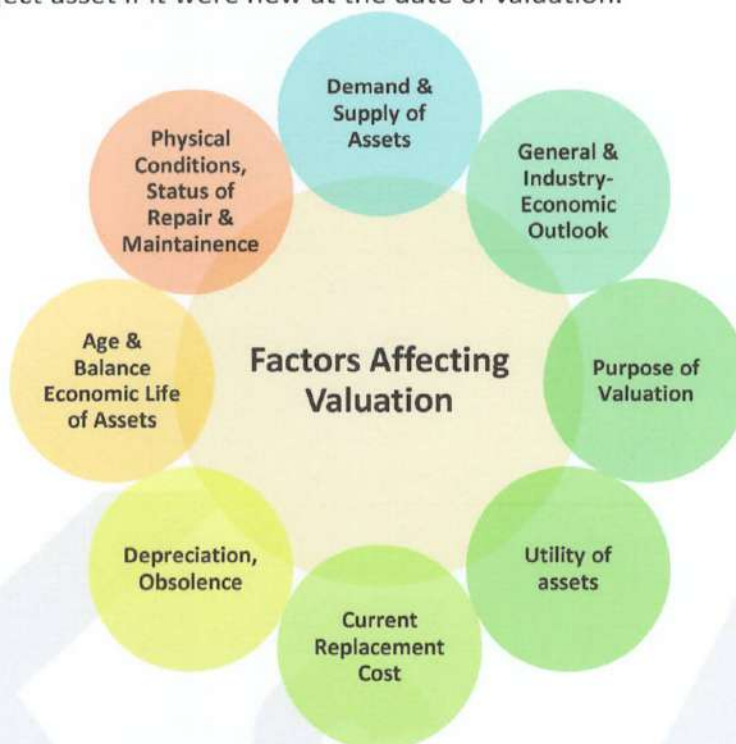


Cost Approach

The Depreciated Replacement Cost (**DRC**) method is the most common method under the Cost Approach. It can be applied to wide range of asset types. It is frequently used when there is either very limited or no evidence of sale transaction. 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. that 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. 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 valuation of the building structures and movable assets has been estimated by using depreciated replacement cost (**DRC**) method under Cost Approach of valuation which is generally used for valuation of comparable properties. The **DRC** is derived from the Gross Current Reproduction / Replacement Cost (**GCRC**) which is reduced by considering depreciation. The **DRC** is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the said property. The **GCRC** means cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.

Market Approach

The Market Approach is an approach of determining the Appraisal Value of an asset based on the selling price of similar or comparable assets. The Market Approach is a valuation approach that can be used to calculate the value of property or as part of the valuation process for a closely held business. Additionally, the Market Approach can be used to determine the value of a business ownership interest, security or intangible asset. Regardless of what asset is being valued, the Market Approach studies recent sales of similar assets, making adjustments for differences in size, quantity or quality.



In the steel industry, a steel plant's value can be estimated by looking at the comparables i.e. recently sold steel plants that are similar in size and features that are located within a close geographic proximity to the property being valued. Outlier transactions, indicative of particularly motivated buyers or sellers, may need to be compensated for since the price may not adequately reflect the Market Value.

The most commonly used method while using Market Approach to value Real Estate assets is the Comparable Transaction Method.

In this method, sale instances or market comparable of similar properties in and around the subject property are used to estimate the Market Value of the subject property.

We have used **Sales Comparison Method** of **Market Approach** for the valuation of the land and **Replacement Cost Method (RC)** of **Cost Approach** for the valuation of the building structures and plant & machinery belonging to **BECL**.



Valuation of Land

Usually, Market Approach to valuation is adopted for estimating the Market Value of Land for Freehold properties. In this approach, generally the Sales Comparison Method of Valuation is adopted in which due weightages are given to factors such as:

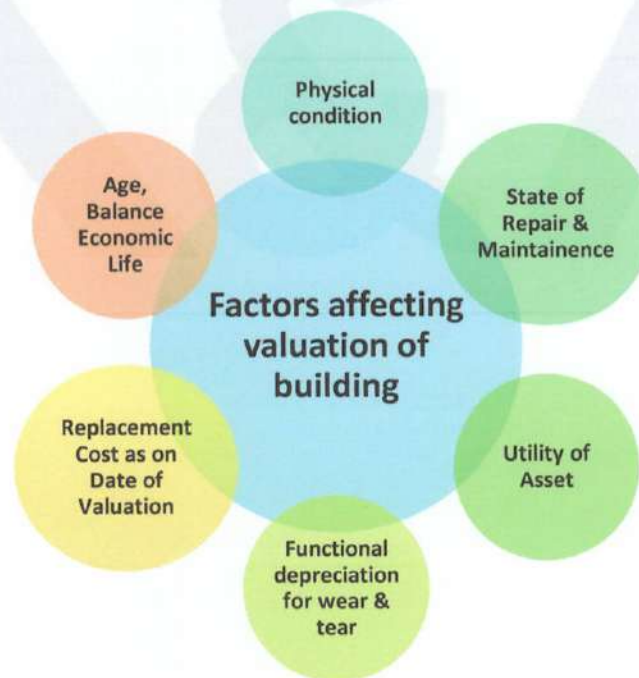
- ❖ The Right to Sell / Transfer / Lease the Land,
- ❖ Demand and Prospective buyers for such type of plots,
- ❖ Shape, Size, Prominence and Location of Land,
- ❖ The Marketability, Utility, Demand and Supply of land in the surrounding area. The land rates as evident from the Sale Instances of comparable land found upon market enquiry,
- ❖ Legal and Physical Encumbrance on Land,
- ❖ Freehold or Leasehold nature of Land etc.



Valuation of Buildings

The Depreciated Replacement Cost Method of Valuation is adopted under Cost Approach for the Valuation of Buildings in which due weightages have been given to factors like:

- ❖ Utility and Design of Building Structures,
- ❖ Actual Physical Condition, State of Repairs and Maintenance,
- ❖ Type of General and Special Specifications of construction,
- ❖ Age, Remaining useful economic life of the structures,
- ❖ Demand for such structures,
- ❖ Cost of Building Materials and related construction supplies in the surrounding area,
- ❖ Latest trends in the Building Construction Technology and its impact on the Cost of Construction,
- ❖ Present Day Replacement Cost of Comparable Building Structures,
- ❖ Depreciation for Physical wears and tear.



Valuation of Plant and Machinery

The Market Value of Plant & Machinery and other movable assets has been estimated by using Depreciated Replacement Cost (**DRC**) method under Cost Approach of valuation. The **DRC** is derived from the Gross Current Reproduction / Replacement Cost (**GCRC**) which is reduced by considering depreciation. The **DRC** is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery. The **GCRC** means cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.

Economic Life

The economic life is how long it is anticipated that the asset could generate returns or provide a financial benefit.

Computation of Replacement Cost

Depending on case-to-case basis, one of the following methods can be used to determine the replacement cost of the asset depending upon its suitability, applicability and practicability. We worked out the replacement cost of the Plant & Machinery considering 'In situ' basis.

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, installation and commissioning, foundation, pre-operative expenses, interest cost 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 appropriate agencies to original cost of plant & machinery. The following factors are considered while estimating the Replacement Cost of assets.

- ❖ Type of machinery/plant
- ❖ Imported or indigenous
- ❖ Material of Construction (**MOC**)
- ❖ Category of supplier/ vendor



- ❖ Ex-works Price
- ❖ Discount (if any)
- ❖ Non recoverable taxes and duties as applicable for Indian origin, if applicable.
- ❖ Transportation and handling charges
- ❖ Loading/Unloading Charges at India Port (if applicable)
- ❖ Insurance Charges (if applicable)
- ❖ Technological Obsolescence(if any)

In current valuation assignment, in order to arrive at current replacement cost of equipments, country specific indices were used.

For Example, If machines were sourced from India, Wholesale Price Index issued by Office of Economic Advisers, Govt. of India is used to arrive at current replacement cost but if machines were sourced from any other country other than India, GDP Deflator issued by World Bank for specific country was used.

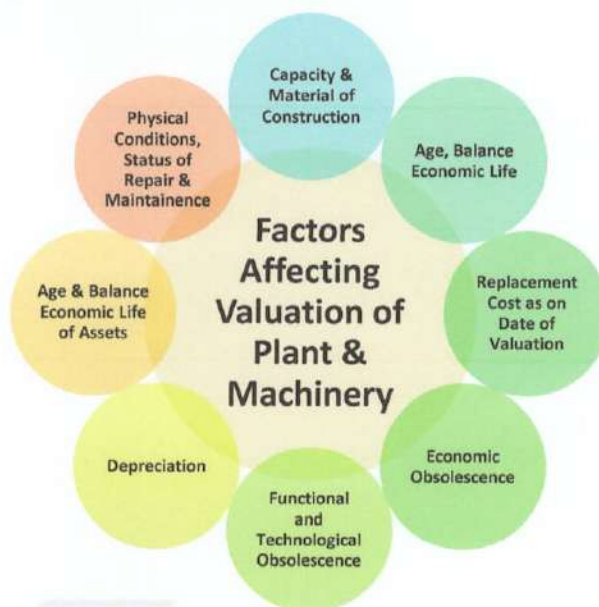
After applying the appropriate Index Multiplier as discussed above on cost of acquisition of respective movable asset, exchange rate as on date of purchase or capitalisation is also adjusted with reference to exchange rate as on date of valuation to arrive at current replacement cost.

Computation of DRC

The DRC of Plant & Machinery as on date of valuation has been estimated using depreciated replacement cost method under Cost Approach of valuation. The Depreciated replacement cost is derived from the Gross Current Reproduction / Replacement Cost (**GCRC**) which is reduced by considering physical depreciation. The **GCRC** means price expected to replace the existing asset with similar or equivalent new asset as on date of valuation. To this **GCRC**, suitable depreciation has been applied based on age of the asset to derive at the in- situ value. 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.

In order to establish the level of above stated value at which the market reasonably expects to give an appropriate return from the use of the subject assets following points have been considered in order to calculate depreciation.





The total economic 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. We have estimated balance economic life of the subject assets 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.

Computation of Market Value

The valuation of Machinery and Other Movable Assets has been carried out using Replacement Cost (RC) method. Market Value of the Movable Assets are obtained after adjusting the DRC value from obsolescence. The three types of obsolescence, namely, physical, functional and economic obsolescence have been factored into the DRC value to assess the Market Value.

The physical obsolescence is the depreciation based the replacement cost new (RCN), age, useful life and salvage value of the asset.

The **functional obsolescence**, which is the loss in value, is due to factors inherent in the property itself (The cause may be changes in design, materials, or process resulting in inadequacy, overcapacity, excess construction, lack of functional utility, excess operating costs, etc.) and



Economic obsolescence which is the loss in value or usefulness of a property caused by factors external to the property (such as increased cost of raw materials, labor, or utilities) without an offsetting increase in product price, have been factored by our technical team.

The table used to assess the Market Value of the assets is as follows:

Asset Description	Acquisition Cost	RCN Considered	Salvage Value In %age	Salvage Value	Avg. Age of the Asset	Avg. Age In yrs	Avg. Useful Life in yrs	Depreciation	DRC Value in INR	Discount for Obsolescence	Market Value
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About the Company

Bhilai Engineering Corporation Limited is a publicly company incorporated on December 03, 1960. It is classified as Non-government company and is registered at Registrar of Companies, Chhattisgarh.

BEC undertakes complete project implementation including Mechanical, Structural, Electrical and Civil jobs. It is equipped with plants comprising of Ferrous Foundry, Machine Shop, Heavy Fabrication and Assembly shop, including Design and Engineering facilities to undertake jobs from concept to commissioning.

BEC Ltd. has five units located in Raipur and Bhilai cities of the Chhattisgarh State, India. There are 5 Regional offices in New Delhi, Mumbai, Kolkata, Chennai and Bangalore to facilitate and support various projects and develop corporate relations. Additionally there are 5 site offices at Rourkela, Ranchi, Burnpur, Bokaro and Vizag cities. These offices are equipped with modern communication systems, ERP System and Design facilities.

Corporate Information

CIN	U29111CT1960PLC000913
Company / LLP Name	Bhilai Engineering Corporation Limited
ROC Code	ROC Chhattisgarh
Registration Number	000913
Company Category	Company limited by Shares
Company Sub-Category	Non-govt company
Name of Directors	1. Arvind Kumar Jain 2. Ashish Jain 3. Geetika Jain 4. Veenu Jain
Class of Company	Public
Authorized Capital (INR)	11,50,00,000
Paid up Capital (INR)	4,71,93,200
Date of Incorporation	December 03, 1960
Registered Address	Hathkhoj Village Industrial Area Bhilai Dist., Durg, Chattisgarh, India, 490001
Email Id	bec_bhilai@rediffmail.com
Listed in Stock Exchange(s) (Y/N)	No
Date of last AGM	September 30, 2023
Date of Balance Sheet	March 31, 2023
Company Status (for e-filing)	Active

*Above information is culled out from <https://www.mca.gov.in/content/mca/global/en/mca/master-data/MDS.html>



Factory at Village Hathkoj, Dist. Durg, Chhattisgarh

Description of the property

The said factory is located at land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India belonging to **M/s. Bhilai Engineering Corporation Limited**. The geographical location of the subject property is as below:



Google Co-ordinates - 21°13'41.5"N 81°23'49.9"E



The Locational Advantages of the said property are as below –

Nearest Railway Station	Bhilai railway station (4.5 km)
Nearest Bus Stop	Bhilai Bus Stop (4.3 km)
Airport	Swami Vivekananda Airport (45.3 km)

Site Observations

Based on site visit and interaction during our site visit, the following observations were noted:

Location and Site Analysis

a) Strategic Location Advantages

- ❖ Prime positioning in established industrial belt
- ❖ Excellent multi-modal transportation connectivity
- ❖ Approximately 2-3 kilometres from main highway
- ❖ Well-developed industrial ecosystem in surroundings
- ❖ Good access to skilled workforce pool

b) Property Layout and Features

- ❖ Well-planned 16-acre industrial plot
- ❖ Efficient space utilisation with distinct zones
- ❖ Open surroundings with no immediate encroachments
- ❖ Ample space for future expansion
- ❖ Good internal road network
- ❖ Adequate setbacks from boundaries
- ❖ Natural drainage patterns intact

Building-wise Analysis

a) New Work Office Area

- ❖ Best maintained section of the facility
- ❖ Demonstrates regular movement and current usage
- ❖ Relatively well-preserved compared to other sections
- ❖ Minor maintenance issues but generally functional
- ❖ Suitable for immediate use with minimal renovation



b) Production Areas

- ❖ Extensive deterioration observed due to 6-month closure
- ❖ Multiple industrial sheds showing structural ageing
- ❖ Water seepage issues identified in several locations
- ❖ Steel structures exhibiting signs of corrosion
- ❖ Requires significant revamping for operational readiness

Machine Shop & Fabrication Areas

- ❖ Forms major portion of built-up area
- ❖ Mixture of heavy and light machine shops
- ❖ Structural integrity appears maintained but needs attention
- ❖ Roofing requires substantial repairs in several sections
- ❖ Support structures need reinforcement

Machinery and Equipment Status

a) Current Conditions

- ❖ Visible corrosion due to 6-month non-operation period
- ❖ Lack of regular maintenance evident
- ❖ Moving parts show signs of deterioration
- ❖ Electrical systems require thorough checking
- ❖ Auxiliary equipment needs comprehensive assessment

b) Rehabilitation Requirements

- ❖ Major servicing needed for all primary machinery
- ❖ Complete overhaul recommended before operations
- ❖ Electrical systems need testing and potential upgrades
- ❖ Safety systems require recertification
- ❖ Modernisation might be more cost-effective in some cases

Overall Property Overview

- ❖ An aged industrial establishment demonstrating significant wear and deterioration
- ❖ Multiple construction types including RCC structures, steel structures, and brick masonry
- ❖ Necessitates comprehensive refurbishment across most areas



- ❖ Buildings exhibit expected depreciation aligned with their age and industrial usage
- ❖ Whilst structurally stable, significant investment required for modernisation

Valuation of Land

The said property is land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India. Usually, Market Approach to valuation is adopted for estimating the Market Value of Land. In this approach, the Sales Comparison Method of Valuation is adopted in which due weightages have been given to factors such as:

- ❖ The Right to Sell / Transfer / Lease the Land
- ❖ Demand and Prospective buyers for such type of plots
- ❖ Shape, Size, Prominence and Location of Land
- ❖ The Marketability, Utility, Demand and Supply of land in the surrounding area. The land rates as evident from the Sale Instances of comparable land found upon market enquiry.
- ❖ Legal and Physical Encumbrance on Land
- ❖ Freehold or Leasehold nature of Land, etc.

The break-up of the total land area as identified in valuation report dated October 07, 2024 issued by LKJ & Associates LLP is as tabulated below:

Khasra No.	Village	Area in Acre	Area in Sq. mt.
114/1, 114/2, 114/3 & 114	Hathkoj	16.00	64,749.76



The Guideline Value of the Agricultural land in the village under our assesment is as tabulated below:

जिला मूल्यांकन समिति दुर्ग (अ.म.)
- 49 -
उप पंजीयक कार्या, दुर्ग
वर्ष 2019-20

प्रारूप -3
नियम -7

कृषि भूमि के बाजार मूल्य के मार्गदर्शक सिद्धांत वर्ष 2019-20

राजस्व निरीक्षक मंडल- दुर्ग-1

प.ह.नं.	ग्राम का नाम	समी किसम की भूमि मुख्य मार्ग पर स्थित होने पर	स्थिति	असिंचित (समी किसम की भूमि के लिए)	कृषि भूमि के टुकड़े 500 वर्ग मीटर तक दर प्रति वर्गमीटर रुपये में	सड़क से 20 मीटर तक	सड़क से 20 मीटर बाद
1.	2.	3.	4.	5.	6.	9.	10.
1	अंजोरा	1496250	971250	679000		455	343
2	डाबा	1480500	962500	686000		455	343
9	महगाव	2275000	1295000	1106000		1134	756
10	शिरसाखुर्द	10202500	5523000	4419100		2639	2261
10	गुमियारी	1779750	1032500	814800		756	490
11	डांडेसरा	1593900	980000	787500		756	490
11	भेडसर	1621200	962500	805000		756	490
11	कुटेल्वाघाटा	5287100	3062500	3045000		2639	2261
11	खपरी	7000000	5250000	3195500		2639	2261
11	चिखली	10640000	5621000	4568900		4522	3017
12	करजा चिल्लाई	10290000	5778500	4419100		3017	2261
13	डोडरी	1572900	1038800	917700		455	343
13	जेवरा	10850000	5621000	4568900		3920	2639
14	समोदा	5537000	2625000	2100000		2639	1736
14	ननकटडी	6014750	3080000	2312800		3017	2261
14	बोडेगाव	2136750	1400000	878500		833	644
15	अरसरा	5537000	2564100	1837500		2639	1358
15	रोलीडीह	5544000	2625000	1866900		1736	1358
16	बाहीन	2130450	1085000	731500		945	644
17	खेचामरा	3399200	2226000	1528800		2639	1736
17	कावांदुर	3521700	1522500	1079400		1134	791
18	डोर	2817500	1512000	1065400		2261	1358
18	अकलोरडीह	8158500	3500000	2275000			
18	जामुल	8232000	5274500	3829000			
18	हथकोज	8400000	5370400	3850000			
18	कुलीपार	8158500	5516000	3969000			
18	कुलीपार	8750000	5250000	4375000			

The Guideline Rate of the Agriculture land in the said village is **INR 81,58,500 per hectare** i.e. **INR 816 per sq. mtr.** and the Guideline Value of the said land is as tabulated below:

Particular	Area in sq. mt.	Guideline Rate in INR / sq. mt.	Guideline Value in INR
Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh	64,749.76	816	5,28,35,804

Thus, the Guideline Value of the said Agricultural land is **INR 5.28 Crore**. It is pertinent to note that Chhattisgarh government did not change the guideline rate of land in the state since year 2019-20. On government website, guideline rate of industrial land is not published by the government hence we have provided guideline rate for Agriculture Land only.



During our market survey, we found that the present market rates for similar size of plots are in the range from **INR 118 lakh per acre** to **INR 121 lakh per acre** depending upon it's location and size. We value the said plot of land at **INR 120 lakh per acre**.

The valuation of the land bearing land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India, belonging to **BECL** is as tabulated below:

Particular	Area in Acre	Value in INR Lakh	
		Market Rate in INR / Acre	Market Value
Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh	16	1,20,00,000	1,920.00

Thus, the Market Value of the land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India belonging to **BECL** as on **October 09, 2024**, using **Market Approach of Valuation** is worked out to **INR 19.20 Crore**. The Realizable Value of the said asset shall be **INR 18.24 Crore** (i.e. 95% of Market Value) and the Distress Sale Value of the said assets shall be **INR 15.36 Crore** (i.e. 80% of Market Value).

Valuation of Site Development

The valuation of the site development is as tabulated below:

Particular	Unit	Area	Value in INR Lakh
			Market Value
Land Development	Acre	4	4.62
Boundary Wall	Mtr.	1,100	25.38
Total			30.00

Thus, the Market Value of Site Development at Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India belonging to **BECL** as on **October 09, 2024**, using **Market Approach of Valuation** is worked out to **INR 0.30 Crore**. The Realizable Value of the said asset shall be **INR 0.29 Crore** and the Distress Sale Value of the said assets shall be **INR 0.23 Crore**.



Valuation of Building Structures

The valuation of building structures constructed on said land parcel is as detailed below:

Sr. No.	Particular	Unit	Area	Values in INR Lakh
				Market Value
1	Light Machine Shop Shed	M2	1,800.00	147.48
2	Heavy Machine Shop Shed	M2	1,800.00	147.48
3	Marking Bay	M2	1,458.00	119.46
4	Skoda Bay	M2	1,701.00	139.37
5	Lean to Shed 1	M2	1,000.00	65.55
6	Lean to Shed 2	M2	1,000.00	65.55
7	DNA Shed	M2	2,072.00	169.76
8	3 MH Shed	M2	2,496.00	204.50
9	HRC Shop - Lean to Shed	M2	1,040.00	68.17
10	Robotic Shed	M2	3,072.00	251.70
11	Railway Shed	M2	3,072.00	251.70
12	CNC Cutting Shed	M2	652.00	53.42
13	Press Shop	M2	924.00	60.56
14	Painting Booth	M2	450.00	29.50
15	Tool Room - Building	M2	52.00	3.12
16	Clean Room - Building	M2	50.00	3.00
17	CMM Room - Building	M2	131.00	7.87
18	Compressor Machine Shed	M2	33.00	2.34
19	Personnel Office	M2	165.00	9.91
20	PPC Office	M2	236.00	14.18
21	Maintenance Office	M2	52.00	3.12
22	Steel Yard Office	M2	173.00	10.39
23	SR Furnace - steel structure	M2	189.00	14.45
24	Shot Blasting - Steel Structure	M2	240.00	18.35
25	New DG Shed - Steel Structure	M2	137.00	10.48
26	Old DG and Panel Room - Building	M2	91.00	5.47
27	New Panel Room	M2	39.00	2.34
28	Stores - Lean to Bay - Steel Structure & Building	M2	248.00	16.26
29	Scrap Yard	M2	108.00	4.72
30	Steel Storage Area	M2	2,700.00	117.98
31	Old Office Building	M2	367.00	22.05
32	New Office Building 1	M2	560.00	33.65
33	New Office Building 2	M2	1,680.00	100.94
34	Canteen Building	M2	89.00	5.35
35	Lean to Canteen 1	M2	67.00	4.39
36	Lean to Canteen 2	M2	36.00	2.36
37	Toilet	M2	20.00	1.31
38	Workers Toilet	M2	18.00	1.18
39	Staff Toilet	M2	16.00	1.05



Sr. No.	Particular	Unit	Area	Market Value
40	Other Miscellaneous	M2	531.60	109.52
Total for civil Structure and Buildings			30,565.60	2,300.00

Thus, the Market Value of the building structures constructed on the said land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India belonging to **BECL** as on **October 09, 2024**, using **Cost Approach of Valuation** is worked out to **INR 23.00 Crore**. The Realizable Value of the said asset shall be **INR 20.70 Crore** (i.e. 90% of Market Value) and the Distress Sale Value of the said assets shall be **INR 17.25 Crore** (i.e. 75% of Market Value).

Valuation of Movable Assets

The valuation of Movable Assets located at said location belonging to **BECL** is as detailed below:

Values in INR Lakh				
Sr. No.	Description	Machine ID	Qty	Market Value
1	Plano Miller	Nicolas Correa	1.00	837.06
2	Milling Machine	Tos-Kurim	1.00	976.57
3	Boring Machine	CNC FEMCO	1.00	191.83
4	Boring Machine	BO -09	1.00	62.78
5	Boring Machine	SKODA BO - 11	1.00	153.46
6	Boring Machine	FRORIEP BO -10	1.00	52.32
7	Boring Machine	SMTCL BO -12	1.00	34.88
8	Vertical Lathe	VL-06	1.00	8.37
9	Lathe Machine	LA-OI	1.00	31.39
10	Lathe Machine	LA - 02	1.00	22.32
11	Lathe Machine		1.00	27.90
12	Lathe Machine	CNC Lathe	1.00	17.44
13	Plano Miller	PL-06	1.00	17.44
14	Milling Machine	CNC Milling	1.00	17.44
15	Boring Machine	BO -08	1.00	13.95
16	Radial Drill	RD — 04	1.00	4.19
17	Lathe Machine	LA -06	1.00	12.56
18	Boring Machine	BO - 05	1.00	6.98
19	Radial Drill	RD-OI	1.00	3.49
20	Boring Machine	BO - 06	1.00	6.98
21	Radial Drill	RD -02	1.00	3.49
22	Lathe Machine	LA- 05	1.00	12.56
23	Radial Drill	RD -03	1.00	3.49
24	Lathe Machine	LA - 07	1.00	2.79
25	Radial Drill	RD -05	1.00	3.49



Private & Confidential

Sr. No.	Description	Machine ID	Qty	Market Value
26	Milling Machine	MI -02	1.00	4.19
27	Radial Drill	Batliboi URD - 02	1.00	22.32
28	Boring Machine	BO - 07	1.00	15.35
29	Slotter Machine	SL-OI	1.00	4.19
30	Bend Saw		1.00	2.09
31	Shapper Machine	SH -01	1.00	5.58
32	Lathe Machine	LA-II	1.00	8.37
33	Plano Miller	PL-02	1.00	12.56
34	Milling Machine	MI -03	1.00	10.46
35	CNC Press Break	Jackson	1.00	20.93
36	Radial Drill	RD -06	1.00	12.56
37	Plate Bending- 1	Himalaya PPI-135(3319)	1.00	59.29
38	Radial Drill	URD-OI	1.00	4.19
39	Pipe bending -1	Rapid	1.00	5.58
40	CMM	Coord 3	1.00	22.32
41	Tapping	CMA	1.00	6.98
42	Shearing Cutter	Indore Hydraulic	1.00	9.07
43	Simplicity Furnace		1.00	15.35
44	Radial Drill		1.00	3.49
45	Radial Drill	RD -08	1.00	3.49
46	Plate Bending-02	Himalaya	1.00	22.32
47	Hydraulic Press	150 ton Press	1.00	8.37
48	Hydraulic Press	250 ton Press	1.00	16.74
49	Hydraulic Press	500 ton Press	1.00	24.41
50	Robotic Welding	Yaskawa Motoman	1.00	62.78
51	CNC Profile Cutting	Messer	1.00	45.34
52	D.G. set	600kva	1.00	26.51
53	Screw Compressor	KES30	1.00	3.49
54	Screw Compressor	KES30-8.5	1.00	3.49
55	Screw Compressor	KES15	1.00	2.09
56	Screw Compressor	KES7	1.00	2.09
57	Screw Compressor	KES90	1.00	1.05
58	Screw Compressor	Kaser Bsd-81	1.00	11.86
59	Rotator100T	WRL-100	1.00	8.37
60	Rotator30T	WRL-30	1.00	2.79
61	Rotator30T	WRL-30	1.00	2.79
62	Grinder	HMT-GTC 28T	1.00	3.49
63	Lathe Machine	Panther	1.00	1.05
64	Drill Machine	VM-28A	1.00	0.56
65	Zoller Tool Pre setter	smile 600 (SMP6/6)	1.00	8.37
66	Shot Blasting	Mecshot	1.00	5.58
67	EOT Crane 5 T (M/c Shop)	EOT-OI	1.00	9.77
68	EOT Crane 5 T (M/c Shop)	EOT-02	1.00	9.77

Sr. No.	Description	Machine ID	Qty	Market Value
69	EOT Crane 10 T (H/Equip.)	EOT-03	1.00	13.95
70	EOT Crane 15 T (H/Equip.)	EOT-04	1.00	16.74
71	EOT Crane 30/8 T (Skoda)	EOT-05	1.00	27.90
72	EOT Crane 50/10 (Unit 1)	EOT-06	1.00	41.85
73	EOT Crane 10 T (Unit 1)	EOT-07	1.00	13.95
74	EOT Crane 5 T (Unit 3)	EOT-08	1.00	8.37
75	EOT Crane 5 T (unit 3)	EOT-09	1.00	8.37
76	EOT Crane 20 T (Robotic)	EOT-10	1.00	17.44
77	EOT Crane 10 T (Robotic)	EOT-11	1.00	8.37
78	EOT Crane 20 T (Railway)	EOT-12	1.00	23.72
79	EOT Crane 20 T (Railway)	EOT-13	1.00	23.72
80	EOT Crane 5 T (H/Equip.)	EOT-14	1.00	5.58
81	ECT Crane 5 T (PPM ROOM)	EOT-17	1.00	4.19
82	G CRANE 4 T (M/c Shop)	GTU-01	1.00	4.19
83	G CRANE 5T (M/c Lento)	GTU-02	1.00	5.58
84	G CRANE 5T (M/c Lento)	GTU-03	1.00	5.58
85	G CRANE 15 T (steel cutting)	GTU-04	1.00	19.53
86	G CRANE 63/10 T	GTU-05	1.00	64.17
87	G CRANE 63/10 T	GTU-06	1.00	64.17
88	G CRANE 15 T (steel Yard)	GTU-07	1.00	24.41
89	G CRANE 20 T (steel Yard)	GTU-08	1.00	27.90
90	SR Furnance (diesel fired)		1.00	3.49
91	Marking Table & Granite Plate		1.00	12.56
92	Machine Tools & Tackels		1.00	20.93
93	Painting Boot		1.00	4.88
94	RECTIFIER WELDING MACHINE)	MMA	1.00	24.41
	ADOR TORANDO 401 (11 Qty)			
	ESAB RS 400 (Qty - 58)			
	ESAB EASY WELD SSR 600 (Qty -3)			
	ESAB THI-1 630 (Qty- 2)			
	MOGORA WR 400 (Qty -3)			
	UNIVERSAL MARSAL ARC 400 (Qty- 3)			
95	MIG(CO2) WELDING MACHINE	MIG	1.00	30.69
	ADOR TORANDO MIG 400 (1 qty)			
	ESAB AUTO K 400 (20 Qty)			
	ESAB MIG5000i (2 Qty)			
	ESAB WARRIOR			
	400iCC/CV (3 Qty)			
	KEMPPI HiArc M400i (10 Qty)			
	LINCOLN ELECTRIC			
	CV/CC 500 (6 Qty)			
	LINCOLN ELECTRIC			
	FLEXTECH 650 (4 Qty)			
	MOGORA INVAMIG			



Sr. No.	Description	Machine ID	Qty	Market Value
	400T (4Qty)			
	MOGORA INVAMIG			
	600 (4 Qty)			
	MOGORA MIG 400T (4Qty)			
96	TIG WELDING MACHINE	TIG	1.00	4.88
	MOGORA INVA TIG			
	400 (2 Qty)			
	MOGORA INVATIG 400S(M) (2 Qty)			
	WARRP INTIG-4001 (5 Qty)			
	WARRP INTIG 316 AC/DC (1 Qty)			
97	PLASMA CUTTING	Cutting	1.00	1.05
	MACHINE -			
	COLTON RAZORPLUS			
	70 (2 qty)			
98	GOOSING MACHINE -	Gousing	1.00	1.40
	ESAB CPRA 1200 T (2 qty)			
99	SAW WELDING MACHINE			
	SAW ESAB CPRA 1200 (2 Qty)	SAW	1.00	31.39
	LINCOLN ELECTRIC	Internal SAW		
	AC1200 IDELARC (1 Qty)			
	LINCOLN ELECTRIC DC	Tendam SAW		
	1500 /AC1200 (1 Qty)			
	LINCOLN ELECTRIC	ID-OD SAW		
	IDEALRC DC 1000 (1 Qty)			
	MOGORA SAW WRCP 1201 (1 Qty)	SAW		
100	CG07 NA 0820 (JCB) Year 2010 - cap - 12T		1.00	15.35
101	CG07 NA 0822 (JCB) Year 2010 - cap - 12T		1.00	15.35
102	CG07 N 6181 (Escort)Year 2009 cap - 12T		1.00	10.11
103	CG07 D 7235 (Escort)- Year 2008 - Cap - 12 MT		1.00	10.11
104	CG07 D 3910 (escort) Year 2005 - cap 10 MT		1.00	8.37
105	CG07 NA 4426 (Zoomline) Year 2011 - Cap 50 Mt		1.00	39.06
106	CG07 NA 1499, Sonalika - Year 2011		1.00	4.19
107	MP04 AH 2059 (Farma Tech)- NA		1.00	4.19
108	MP04 A 1911 (Farma Tech) — NA		1.00	4.19
109	CG07 C 0443 (Ashok Leyland) — 2001		1.00	5.58
110	CG04 JB 5822 (Tata) Trailor 2009		1.00	24.41
111	CG07 C 6123 Tata 909 - 2006		1.00	9.77
112	CG07 CA 2017 - (Tata 407) - 2010		1.00	8.37
113	Fork lifter — China		1.00	2.79
114	CG07 CA 0501 Tata Ace - 2009		1.00	3.49



Sr. No.	Description	Machine ID	Qty	Market Value
115	655 LC(Crawlla) Tata		1.00	22.32
116	Other Miscellaneous			190.48
Total Plant and Machinery				4,000.00

Thus, the Market Value of the movable assets located at the said land bearing Khasra Nos. 114/1, 114/2, 114/3 & 114 located at Village Hathkoj, Industrial Area, Bhilai - 490026, Dist. Durg, Chhattisgarh, India belonging to **BECL** as on **October 09, 2024**, using **Cost Approach of Valuation** is worked out to **INR 40.00 Crore**. The Realizable Value of the said asset shall be **INR 36.00 Crore** (i.e. 90% of Market Value) and the Distress Sale Value of the said assets shall be **INR 28.00 Crore** (i.e. 70% of Market Value).



Valuation Summary

The valuation summary of all the Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India as on **October 09, 2024** is as tabulated below:

Particular	Values in INR Crore		
	Market Value	Realizable Value	Distress Value
Land	19.20	18.24	15.36
Site Development	0.30	0.29	0.23
Building	23.00	20.70	17.25
Plant & Machinery	40.00	36.00	28.00
Total	82.50	75.23	60.84

Thus, the Market Value of Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India as on **October 09, 2024** using **Market Approach** and **Cost Approach** of Valuation is worked out to be **INR 82.50 Crore**. The Realizable Value of the said assets shall be **INR 75.23 Crore** and the Distress Sale Value of the said assets shall be **INR 60.84 Crore**.



Conclusion

Lloyds Engineering Works Limited ("LEWL") appointed Kakode Associates Consulting Private Limited (K&A) vide engagement letter dated **October 01, 2024** for undertaking the Valuation of Immovable & Movable Assets of belonging to **Bhilai Engineering Corporation Limited ("BECL")** for estimation of Market Value, Realizable Value & Distress Sale Value of assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India.

Thus, the Market Value of Immovable & Movable Assets located at Village Hathkoj, Industrial Area, Bhilai, District Durg, Chhattisgarh, India as on **October 09, 2024** using **Market Approach** and **Cost Approach** of Valuation is worked out to be **INR 82.50 Crore**. The Realizable Value of the said assets shall be **INR 75.23 Crore** and the Distress Sale Value of the said assets shall be **INR 60.84 Crore**.

For Kakode Associates Consulting Private Limited,



ASHOK AKERKAR
Govt. Approved Valuer





ANIL PAI KAKODE
Govt. Approved Valuer
IBBI Reg. No. IBBI/RV/07/2019/10735



AMEET PAI KAKODE
Founder & CEO



JAYESH KAMAT
Registered Valuer
IBBI Reg. No. IBBI/RV/07/2022/15026

Date: October 09, 2024

Place: Mumbai

Annexure I: Photographs

NEW OFFICE





HEAVY MACHINE SHOP





LIGHT MACHINE SHOP



Annexure II: Facts, Assumptions & Limiting Conditions

A. Disclosure of interest / conflict:

1. Neither signatory of this report nor any of his partner/s or associate (if any) is
 - a. A partner, director or an employee of the entity or its associated concerns
 - b. A related party of the company
2. Signatory of this report does not have any interest either direct or indirect in the above said property.

B. Restrictions on use of report:

1. This report is confidential to the mentioned intended users only for the specific mentioned purpose to which it relates.
2. 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.
3. No liability will be accepted to any third party in respect of whole or any part of this report.

C. Caveats, limitation, Disclaimers:

1. The inspection of the asset under valuation is carried out as per the date of inspection mentioned in the report on sampling basis. We have based our valuation on the inspection and arrived at the value on the date of valuation.
2. Assumptions are made to the best of our knowledge and belief. Reliance is based on the information furnished to us by management of the company. We have considered all information provided by the client as true without any further verification.
3. The property is valued on the assumption that it is free and clear of all mortgages encumbrances and other outstanding premiums and charges.
4. No legal verification of the title of the property has been undertaken and the valuer shall not be responsible for any matter of legal nature that affects the value and the opinion expressed by us.
5. The information provided by the management of company to the valuer is believed to be reliable, but the valuer can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, such information has been obtained from our market research.



6. The working of Market Values specified in our report is only our opinion & if there is any opinion from others / valuers about increase or decrease in the same value of the assets valued by us, we should not be held responsible as the views vary from person to person based on assessments.
7. No investigation of the title to the assets have been made by us & claim to the assets has been assumed to be valid.
8. In no event shall the valuer be held responsible or liable for special, direct, indirect or consequential damages as the assignment has been completed on best efforts, available knowledge and in good intentions of persons concerned and belief.
9. This valuation report shall not be used for any other purpose, other than specified in purpose of valuation. 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 realized 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.
10. This valuation report shall not be used for anyone other than specified as intended users of this report. Signatory / valuer owe responsibility to only to the authority/client that has appointed undersign under the terms of the engagement / appointment letter or work/service order. Signatory / valuer 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 signatory / valuer be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the in-charge / identifier / client / appointing authority or companies, their directors, employees or agents.
11. Signatory reserves the right to alter, amend, and delete any unintentional errors.
12. Signatory is not responsible for the facts which were not brought to our notice at the time of visit / carrying out the mentioned assignment.
13. This assignment is carried out assuming that all legal, inspection related approvals, licenses, clearances, statutory documents etc. are available with the in-charge / identifier / client / appointing authority. We have not verified the same as this is beyond the agreed scope of our services.



14. 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.
15. No investigations could be carried out regarding any defect including latent defect of any property/ies / asset/s and/or component, if any. 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.
16. While given work/assignment 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.
17. 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.
18. 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.
19. The valuation of 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.
20. 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.

21. The valuation of the subject assets 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.
22. We have relied on data from external sources (if considered and mentioned in this report) also to conclude the valuation. These sources are believed to be reliable and therefore, signatory/valuer assumes 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.
23. The valuation report is tempered by the exercise of judicious discretion by the Valuer, 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.
24. 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 **BECL** or any of its group companies and the fee for this report is not contingent upon outcome of the transaction. The fee paid for our services in no way influenced the results of our analysis. 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 the mentioned company i.e. **BECL**.
25. It is pointed out that presenting this report is expression of our professional opinion. It does not mean that we agree to any appearance or giving testimony or evidence or appearance or presentation in any Court or Tribunal or Income Tax Department or any Government Department /Ministry /Division /Unit /Company or any hearing or any other proceeding, unless prior arrangements have been made and agreement is reached in that respect. Signatory/valuer is fully aware that based on the opinion of value



expressed in this report, signatory/valuer may be required to give testimony or evidence or appearance or presentation 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 and agreement is reached in that respect in advance.

26. Based on above, if our appearance is required, we will be pleased to appear and give the necessary clarifications, provided the fees for each appearance (including out of pocket expenses) are pre-determined.
27. The valuer's responsibility in connection with this valuation report is limited to whom it is addressed and to that party only. The valuer disclaims all responsibility and will accept no liability to any other party.
28. Validity of this report is as on date of valuation report only.
29. The rules of caveat emptor are applicable for this report.
30. This report is issued without prejudice.
31. Acceptance of this report by the appointing authority constitutes acceptance of all contents of the report including the Disclaimers, Facts, Assumptions & Limiting Conditions mentioned in this report.



Disclaimer

This Asset Valuation Report (**AVR**) is submitted on the basis that this report and its contents will be held in complete confidence. Accordingly, by accepting a copy of this report, the recipient agrees to keep its contents and any other information, which is disclosed to such recipient, confidential and shall not divulge, distribute or disseminate any information contained herein, in part or in full, without the prior written approval of **Kakode Associates Consulting Private Limited (K&A)**.

This report has been prepared for private circulation as required by the client for the purpose of accessing purchase price and should not be circulate to any banks or NBFCs without prior consent of the valuer. This report has been prepared on the basis of site visit and assessment of the prevailing Market Rate for industrial premises in the neighbouring areas. Industry norms, studies and other information / documents obtained by **K&A** from various sources available publicly, which **K&A** believes to be reliable, were the basis of this report. **K&A** has not carried out any independent verification for the truthfulness of the same.

This valuation report is prepared on the basis of documents put before us by **BECL & LEWL**. We have not checked the legality of the documents of the said property submitted by team of **BECL & LEWL** to us. This report is purely an opinion and has no legal or contractual obligation on our part. We have no direct or indirect interest in the firm, its directors, or unit.



About Kakode Associates Consulting Private Limited

KAKODE ASSOCIATES CONSULTING PRIVATE LIMITED (K&A) is a professionally managed consultancy organization promoted by Mr. Anil B. Pai Kakode, who is the proprietor of **KAKODE & ASSOCIATES**, a firm established since **1982**, and providing Engineering and Project Consultancy Services, including valuation of land, building, plant & machinery for variety of projects. Over the years we have expanded our team as well as services offered. We now undertake Asset Valuations, Business Valuations, Techno-Economic Viability Studies, Detailed Project Reports, Cost Validation Reports, Lender's Independent Engineer Reports for a wide spectrum of clients across various sectors, namely, pharmaceuticals, textiles, banking, hospitality, chemical, healthcare, steel, real estate, auto, agro and food processing and many other sectors. We at **K&A** strive to enter into a long-term association with all our clients with branches in Ahmedabad, Bangalore, Hyderabad, Indore, Goa, etc. **K&A** offers following services to its esteemed clients.

- ❖ Valuation of Land, Building, Plant, Machinery & Stock
- ❖ Lenders Independent Engineer
- ❖ Techno-Economic Viability Reports
- ❖ Feasibility Reports
- ❖ Detailed Project Reports
- ❖ Chartered Engineer Certifications
- ❖ Cost Validation Reports
- ❖ Technical Due Diligence
- ❖ Mergers and Acquisition Consulting

We have undertaken valuation of more than **20,000 valuations** since the past 4 decades and over **200 TEV assignments** across various sectors. We have also undertaken valuations, project monitoring, Techno-Economic Viability (TEV) studies and Lender's Engineering monitoring of infrastructure projects including Power Plants (over **45,000 MW**), Metro Projects (Mumbai, Kolkata, Ahmedabad, Nagpur, Noida, Pune, etc.), Real Estate, Roads, Irrigation Projects, Bridges (3rd longest bridge in India), Tunnels (India's longest tunnel) and Flyovers, etc. with a cumulative value of over **INR 10 lakh crore**.

