Insolvency Resolution and Valuation

Topworth Pipes and Tubes Pvt. Limited
Located at Village Hedavali, Khopoli,
Maharashtra
October 2020

Sale as Going Concern

TOPWORTH PIPES AND TUBES PVT. LTD.
(IN LIQUIDATION)

LIQUIDATOR
SANJAY GUPTA
DIRECTOR- PRIMUS INSOLVENCY RESOLUTION & VALUATION PVT LTD

1. Tangible Assets

Details of Tangible Assets

Tangibles assets comprise of fixed assets and movable assets. Fixed assets are in the forms of land and buildings and movable assets in the form of plant and machinery, furniture & fixtures, vehicles, office equipments and IT equipments. As per Balance sheet as on 31st March, 2018, total gross block of the assets is Rs.510.32 Cr. against a Net Block of Rs.321.07 Cr. It is observed, out of the total gross block, 74.71% of assets fall under Plant and Machinery, 4.31% falls under Land and 20.03% fall under Building, whereas gross block of rest of the other head are 0.95% only.

S. No.	Particulars	Gross Block as on 31st March, 2018 (In Rs.)	Book Value as on 31st March, 2018(In Rs.)	%Contribution to Gross Block	Cumulative %Contribution to Gross Block
1	Land	21,98,17,984	21,98,17,984	4.31%	4.31%
2	Building	1,02,21,09,293	80,33,41,283	20.03%	24.34%
3	Plant & Machinery	3,81,29,02,985	2,18,09,60,924	74.71%	99.05%
4	IT Equipment	1,14,09,221	5,70,461	0.22%	99.27%
5	Furniture and Fixtures	2,12,72,107	36,60,495	0.42%	99.69%
6	Vehicles	1,37,00,445	23,39,626	0.27%	99.96%
7	Office equipment	20,57,243	94,864	0.04%	100.00%
Total		**5,10,32,69,278**	**3,21,07,85,637**		

Financial Assets	
Details of Financial Assets	As per the Balance Sheet dated 31st March, 2018, the Net Block of the company is Rs.618.84 Cr. As per the Balance Sheet, the total financial assets only include Current Finance assets as there is no Non-Current Financial Assets. The current assets comprise of Inventories, Trade Receivables, Cash and Cash Equivalents and Short Terms Loans and Advances.
Details of Current Assets	As per the Balance Sheet dated 31st March, 2018, company owns Current Assets of Rs.618.84 Cr. and same is being considered under this head. Out of the total assets, Rs.11.50 Cr. is in forms of Inventories, Rs.271.01 Cr. is categorized as Trade Receivables, Rs.0.10 Cr. is categorized as cash and cash equivalents and Rs.336.23 Cr. is categorized as short-term loans and advances.

1	**Current Assets**		
	Inventories	11.50	1.86%
	Trade Receivables	271.01	43.79%
	Cash and Cash Equivalents	0.10	0.02%
	Short Term Loans and Advances	336.23	54.33%

Key Points

Land & Building Plant

- The company owns a contiguous freehold land parcel on which plant is set up. The area map is not available however as per the Satellite Imaging the land is close to 150 acres. However as per the details available only TPTPL owns land measuring 113.77 acres.
- 12.47 acres of land is in the name of promoters. Though in CIRP only assets owned by Corporate Debtor needs to be evaluated, however as per the discussion with RP the land owned by promoters is also being made part of the CIRP and hence is being considered for valuation.
- The Survey map shows only 2 acres of land parcel owned by promoters. Remaining 10.47 acres has not been shown in the Survey map. We have been made to understand that is it adjacent to the plant land. The land owned by promoters, measuring 2 acres, is on the rear most side and is undeveloped with wild vegetation over it.
- The total land parcel owned by TPTPL measures 113.77 acres, as per the sale deeds, conveyance deeds and Index II documents available with us.
- Though the land parcel on which plant is operational is contiguous in nature, however as per the Survey map; it can be seen that the certain portions of the land are not owned by TPTPL or its promoters. We have been made to understand that these land parcels are in possession of the TPTPL and

can be transferred in their name after paying the requisite stamp duty.

- The access to the land parcel/company premises is through Khopoli Pali road.
- The company has installed multiple industrial sheds upon the land parcel for various plants having heavy steel framed structures with RCC footing and metal sheet roofing.
- The Plant has kutcha road within the premises connecting to different divisions.
- The condition of the industrial sheds was fair at the time of site visit.
- The company has shared a list of area covered by each shed and the same has been considered as the BUA of the sheds and valuation is carried out based on the same.

Plant and Machinery

- The company has installed multiple sheds for the manufacturing of pipes and tubes.
- As per the data shared and observation made at the site, the industrial sheds were named as Spiral Plant, Coating Plant, ERW Plant and Galvanising Plant.
- The company has also installed a laboratory for the testing of the final products.
- The machines were also showing signs of dilapidation due to non usage.
- As per the information shared most of the plant, except Spiral plant, was in closed state for 2 to 3 years. The cost of restarting the machines and other information could not be also be ascertained.
- The detailed FAR mentioning the capitalized cost of each machinery was not available. Hence, market Quotations for the similar machines have been relied upon to arrive at the value of the installed machineries..
- The laboratories were operational and in good condition.

Inventory

- The inventory was in the form of stores and spares which includes solvents, motors, adhesives and ball bearing etc.
- The inventory, having numerous line items, some of them was stored in closed sheds whereas some of them were scattered over different divisions of the open yard. Hence verification of each of the items from the list was not practically possible.
- The water demineralising plant was partially constructed.
- Due to numerous line items in the list of inventories, inspection was carried out on sampling basis at the time of site visit.

8. Brief Details of the company and its assets

Company Profile

TPTPL is a private limited company incorporated in the year 2005. The company is in the business of manufacturing of Pipes and Tubes having an installed capacity of 3,75,000 MTPA and is located at the Village Hedavali, Khopoli-Pali Road, Taluka Sudhagad, Khopoli, Maharashtra.

TPTPL has installed the plant on freehold non-agricultural land parcel admeasuring 121.06 acres. Multiple buildings have been constructed on them which have a total Built-Up area of 51,392.80 Sq.Mt.

TPTPL has installed 4 different units namely ERW (Electrical Resistance Welding), Coating Plant, Galvanizing Plant and Spiral Plant along with two separate laboratory and testing equipment.

At the time of site visit, out of all 4 (Four) plants, only spiral plant was operational. All the other plant has been non -operational since past 2 to 3 years. The company owns machineries such as plasma cutting machine, Ultrasonic Testing, Mill, preheating oven, Blasting Machines, bending machines etc. along with other auxiliary machines such as Diesel Generator, DM plant and Switchyard.

9. General Description of pipe and tubes manufacturing unit

The company is in the business since 2005 in the field of manufacturing pipes and tubes like ERW pipes, Helical steel pipes and Anti corrosive pipes etc. There are the five units in the company and each unit is described below:

i) Spiral plant:

In this plant the steel plate from the de-coiler is converted to unrolled to rolled plate. The rolled plate (spiral loop) is then welded from the inside and outside of the pipe. After welding, flux and slag from inside the pipes are cleaned. Pipes are cut to a predetermined length by an automatic plasma arc cutting device. Each pipe is hydraulically tested to a given pressure. A wide variety of diameter of pipes and tubes is forming the plant.

ii) Coating Plant:

In this plant the coating is done with the help of heating furnace. The pipes and tubes are coated with a layer of material which prevents from rusting and other environmental factors. The shot blasted pipes are acid washed and chromated treated before entering the induction heater/Gas furnace where the pipe is heated to a specified temperature. Epoxy powder is sprayed onto the pipes. The pies are then cooled at the quench station before going for the final inspection.

iii) Galvanizing plant:

It is a process in which iron or steel is coated with a layer of zinc to protect them from corrosion or rusting. Galvanized iron and steel pipes are used in most of the structural applications and come with a layer of zinc to protect from rusting. Most often flux is applied to the steel to inhibit oxidation. The flux is allowed to dry on the steel and in the process of liquid zinc wetting and adhering to the steel. The steel is then dipped into the molten zinc bath until the temperature of the steel equilibrates with the bath.

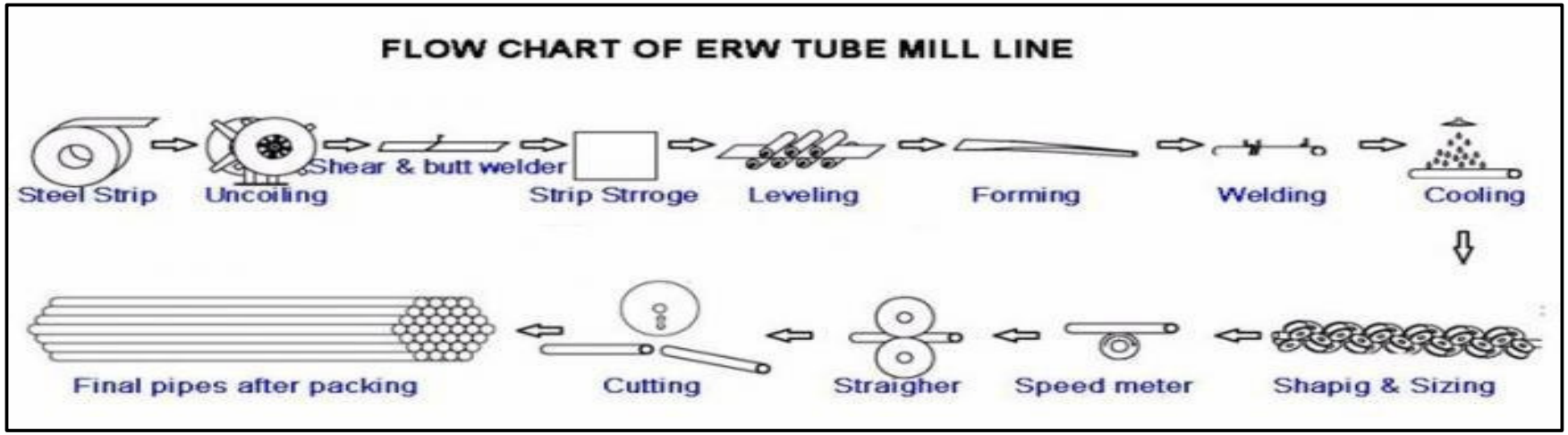
iv) ERW Plant:

In ERW plant, electric resistance welding is used to weld the rolled coils which is in the shape of the pipes and tubes. The ERW plant uses mainly two types of welding (spot welding and seam welding) that produces the coalescence of faying surface where heat to formed the weld. The welding done in this section would be strong and permanent.

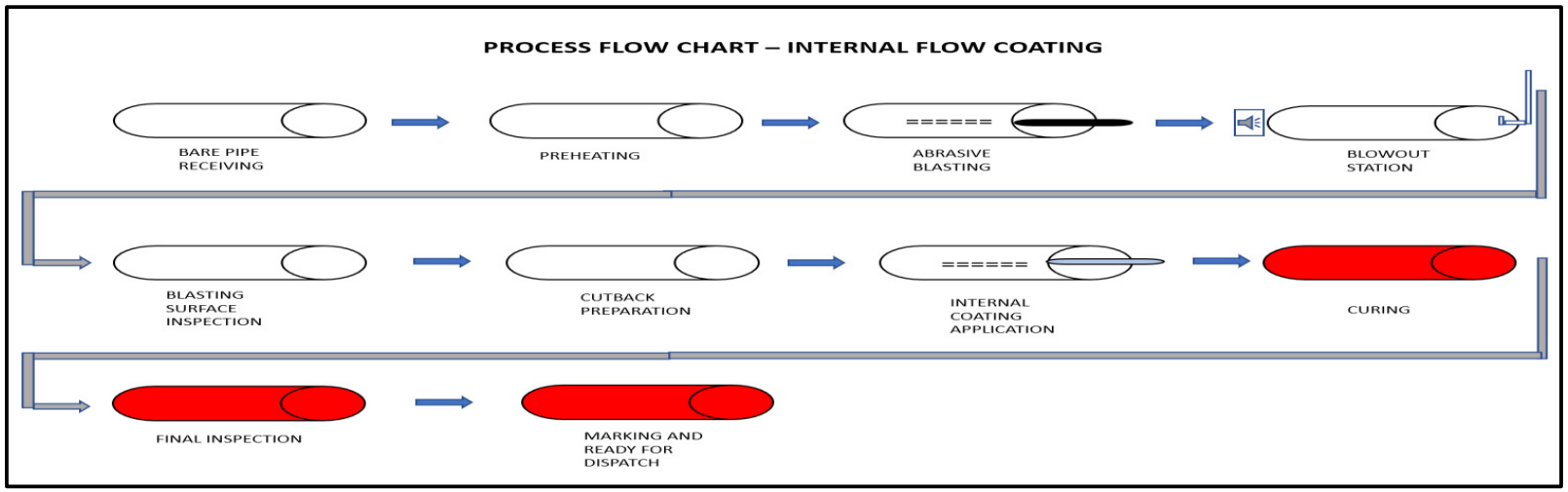
v) Lab and Equipment:

It is also one of the important parts of the plant where all the materials are tested either in terms of the hardness and strength test. The major machinery included in the labs are Universal Testing Machine (UTM) and Impact Testing Machine (ITM).

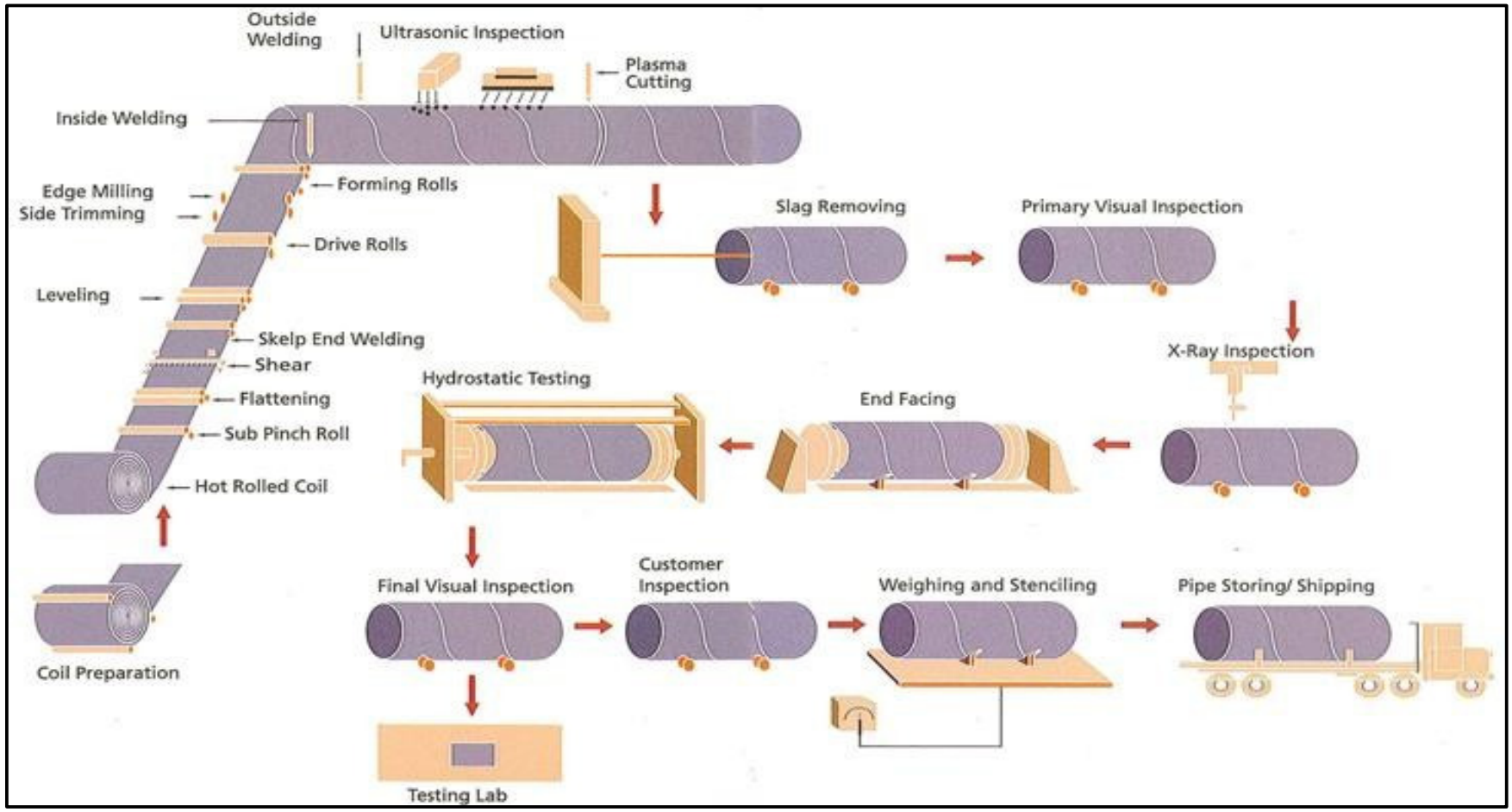
Process Flow Chart for ERW Plant



Process Flow Chart for Coating Plant



Process Flow Chart for Spiral Plant



Chapter 1: Land

The company owns immovable assets in the form of Land parcels.

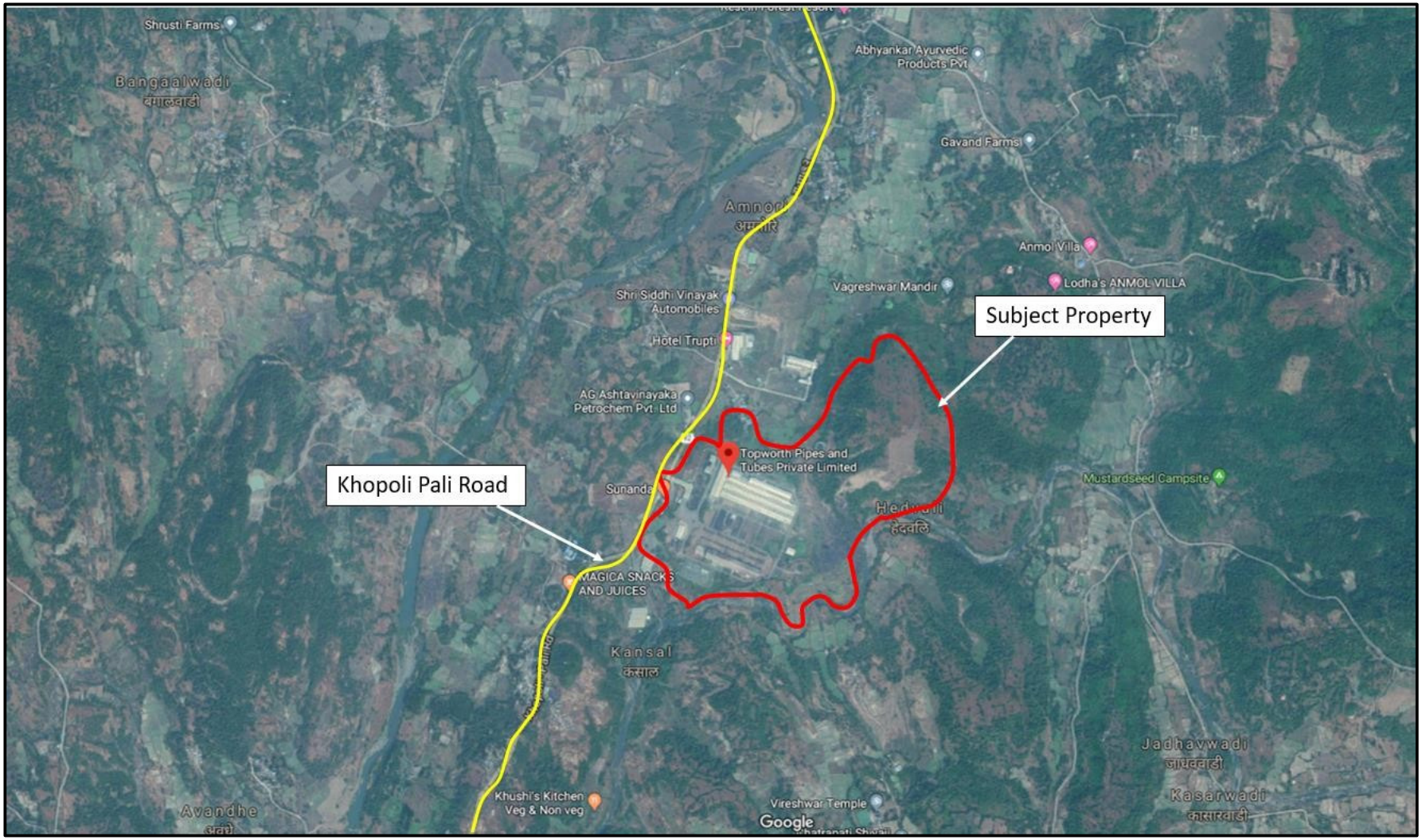
Sr No	Address of Land	Area		Type of Land	Seller	Buyer
		Hectares	Acres			
1	Village Hedavali, Khopoli Pali road, near Jambhulpada, Taluka Sudhagadh, Dist. Raigad – 410205, Maharashtra.	46.60	113.77	Freehold	Multiple sellers	Topworth Pipes and Tubes Limited
2	Village Hedavali, Khopoli Pali road, near Jambhulpada, Taluka Sudhagadh, Dist. Raigad – 410205, Maharashtra	5.20	12.47	Freehold	Multiple sellers	Abhay Lodha and Ashwin Lodha
3	Village Hedavali, Khopoli Pali road, near Jambhulpada, Taluka Sudhagadh, Dist. Raigad – 410205, Maharashtra. Gut nos.212,205 and 206	1.09	2.70	Freehold	Multiple Sellers	In the name of Adivasi Individuals
	Total	52.89	127.94			

3. Land Valuation

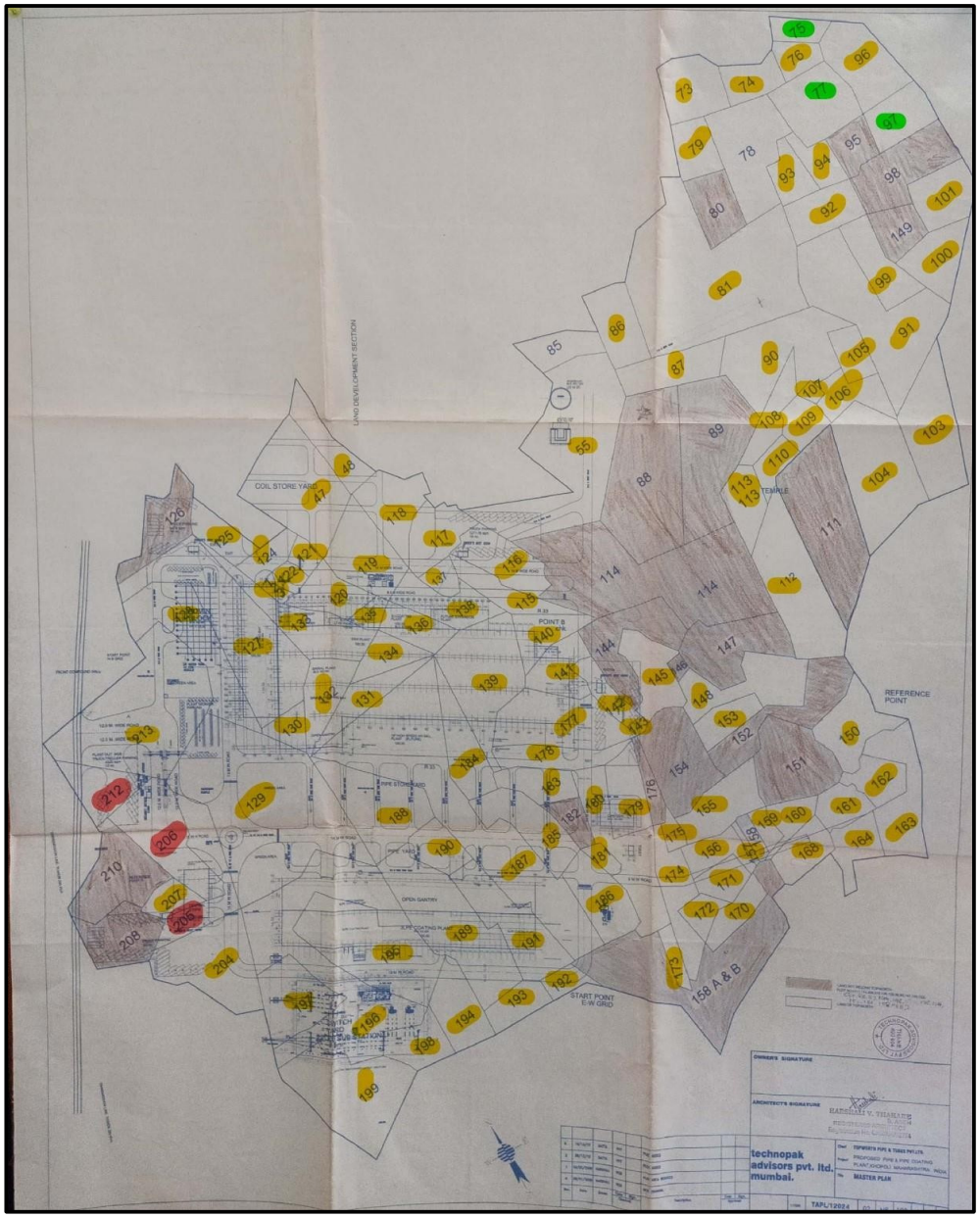
Land Description

As discussed earlier the plat in spread in the contiguous land measuring 150 acres. However, the valuation needs to carried out of the land owned by TPTPL and its promoters which totals to 51.80 hectares or 126.24 acres. The major part of the land on which the construction has happened is contiguous. However, some of the Gut nos. on the rear side of the plant are not owned by TPTPL. Though, the land behind these Gut nos. is owned by TPTPL or its promoters. As per the observation made and details provided during the site visit, out of the total area 12.68 acres of land is under roof. Whereas 55.09 Acres of land is used as bay, storage area etc. and are open to sky (vacant). Most of the open area have wild vegetation grown over it on account of non-maintenance.

Land layout:



GPS Coordinates: 18°38'03.0"N 73°17'24.4"E


LAND DEVELOPMENT SECTION
COIL STORE YARD
TEMPLE
POINT B
REFERENCE POINT
PIPE STORAGES
OPEN GANTRY
START POINT E-W GRID
158 A & B
technopak advisors pvt. ltd. mumbai.
MASTER PLAN
TAPL/12024

Survey Map

Notes:

1. *In the map the gut nos. marked red are the ones owned by Adivasis, these gut nos. are not considered for valuation.*

2. *The shaded areas are the ones which are not under the ownership of TPTPL or its promoters.*

3. *Gut nos. marked in green, are the ones which are in the name of promoters.*

Accessibility & Surrounding Development

Subject property is situated off Khopoli – Pali Road. The access road is a bituminous road having a width of 6 mtr or 20 feet. The access road is having few restaurants and hotels on its way towards the subject property.

The subject property is 25 km away from Mumbai-Pune expressway. Nearest airport Chhatrapati Shivaji Mumbai Airport is located 95.9 km from the subject property. The vicinity of the property is surrounded by different small scale industries and wide range of open land.

Distance from the nearest hubs is tabulated below:

To	Distance (Km)
Chhatrapati Shivaji Mumbai Airport	95.9
Khopoli Railway Station	26.2
Mumbai-Pune Expressway	25

There are few industrial establishments located in the vicinity of the subject property. These industrial establishments are scattered and are located within a distance of 500 mtr. to 800 mtr. The surrounding area also consist of some other public institutions nearby such as B.V.S.P.M Mad Prasha Pali school, Saint Namideo High School, Shri Sanjivani Hospital and Om Sai Hospital.

Details of the boundaries of plots are tabulated below:

Sr No	Address	Area		Boundaries			
		Acres	Hectares	North	South	East	West
1	Various Gut nos., Village Hedavali, Khopoli Pali road, near Jambhulpada, Taluka Sudhagadh, Dist. Raigad – 410205, Maharashtra.	113.77	46.06	Open plot	Open plot	Open plot	Khopoli - Pali Road

Surrounding Layout:

- The size of the land is more than 100 acres. Such land parcel size is generally considered to be huge.
- Due to non-availability of any area map the exact area of the land in possession of the company cannot be ascertained.
- A Steel plant in constructed on the land parcel. Such type of industries are capital intensive and requires huge infrastructure, thus requirement of land is also huge.
- The large size of land parcels are generally accumulated over a period of time and requires investment of time and money.
- The Land parcel abuts to Khopoli – Pali Road which connects to Mumbai-Pune expressway at a distance of 25 kms.
- The availability of the expressway ensures a smooth connectivity to other parts of countries.
- The subject land parcel is of industrial nature.
- The subject land parcel is surrounded by small scale industries and other public institutions such as hotels, schools and hospitals.
- Entertainment park Imagica is 20 Kms from the subject property.
- The local micro market is saturated in nature with limited plots available for sale.
- The closest MIDC to our subjected property is in Kolad, which is at a distance of 20 kms.
- As Per the Survey Conducted in the surrounding, the rates for an industrial land parcel, which are contiguous, in the locality varies between a range of Rs.90,00,000/- per acre to Rs.1,20,00,000/- per acre depending upon the size and location of the land parcel.

Chapter 2: Buildings and Civil Work

1. Building Valuation

Building description:

The Industrial buildings mainly comprises of Spiral Plant, GI Coating Plant, ERW Plant, Slitting Plant and other miscellaneous structures such as Workshop, Laboratory, Central Store, Canteen, Switchyard, Admin Building, Pump House, Weigh bridge and Security cabin. Construction of major industrial buildings was completed by year 2010.

Total built area including auxiliary buildings under roof is 51,332 Sq. mtr as per the details provided by the company. Details of the built-up area, type of the structure and year of construction is mentioned in table below:

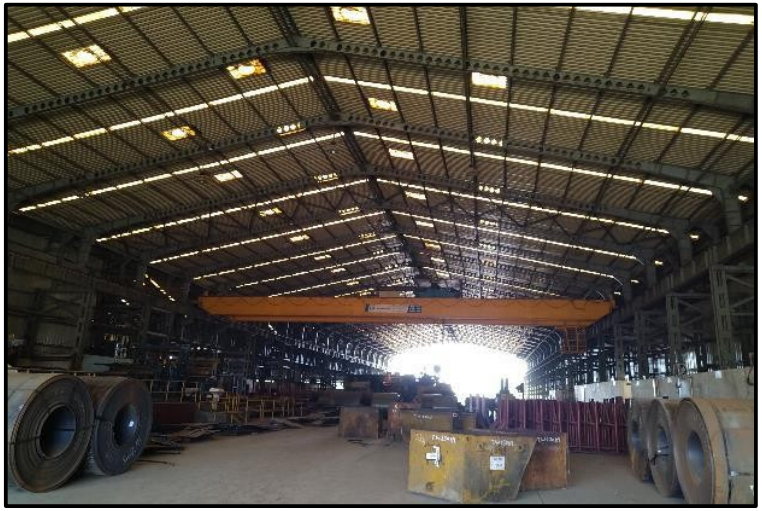
S No	Name of Building	Built up area (Sqm)	Description of structure	Year of construction	Condition
1	Spiral Plant	21,804	Steel framed structure with metal sheet roofing.	2010	Fair
2	ERW Plant	7,290	Steel framed structure with metal sheet roofing	2010	Fair
3	Slitting Plant	4,968	Steel framed structure with metal sheet roofing.	2010	Fair
4	GI Coating Plant	1,290	Steel framed structure with metal sheet roofing.	2010	Fair
5	ERW and GI Utility	672	Storage space for finished goods	2010	
5	Workshop	774	Steel framed structure with metal sheet roofing	2010	Fair
6	QA/QC Lab	288	Single storied structure RCC structure with POP false ceiling.	2014	Fair
7	Central Store	1,250	It is RCC framed structure with sheet roofing supported with MS truss.	2014	Fair
8	Admin Building	1,680	It is an incomplete RCC framed structure.	2014	Incomplete
9	3 LPE Coating Plant	9,720	Steel framed structure with metal sheet roofing	2010	Fair
10	Canteen	875	RCC framed structure with sheet roofing and POP false ceiling, Vitrified tiles flooring, sliding windows and wooden doors, Aluminium sitting arrangement etc. are provided.	2010	Fair

S No	Name of Building	Built up area (Sqm)	Description of structure	Year of construction	Condition
11	Weigh Bridge Cabin	103.13	RCC framed structure with sheet roofing. A cabin with Glass windows and wooden door is provided. Weighing platform in front of the cabin is provided.	2010	Fair
12	LT. HT. Panel	588.00	Single storied RCC structure in switchyard.	2010	Fair
13	Security Cabin	30.67	Single storied RCC structure in the entrance.	2010	Fair
	Total Built-up area	**51,332.80**			

Building Layout

Building Description:

Description of the Plant is mentioned in the following table:

(i) Spiral Plant • The Spiral Plant has BUA of 21,804 Sq. mtr. In this plant the unrolled steel plate is converted from de-coiler to rolled plate. The rolled plate is then welded from inside and outside of the pipe. • The plant is in good and working condition. • Steel framed structure consisting heavy rafters and purlins with RCC footing, Side walls up to 5m over which sheet cladding is provided. • Length of the building is 316mtr and width of the building is 69mtr. • M.S. rolling shutters, Trimix flooring, Ventilators and firefighting equipment etc. are provided. • Slitting work is also done in this area. • The condition of the buildings was fair.	 **View: Spiral Plant**

(ii) ERW Plant:

- The ERW plant building has BUA of 7290 sq.mt.
- In ERW plant electric resistance welding are used to weld the rolled coils which is in the shape of pipes and tubes. The plant is using two types of welding i.e. Spot welding and seam welding.
- Steel framed structure consisting heavy rafters and purlins with RCC footing, Side walls up to 5m over which sheet cladding is provided.
- Length of the building is 270 mtr and width of the building is 27mtr.
- M.S. rolling shutters, Trimix flooring, Ventilators and firefighting equipment etc. are provided

the condition of the buildings was fair.

View: ERW Plant

(iii) Coating Plant

- This plant building has BUA of 9720 sq. mtr.
- In this plant the coating work over pipes and tubes with the layer which prevents from rusting is applied with the help of heating furnace.
- It is Steel framed structure consisting heavy rafters and purlins with RCC footing, Side walls up to 5m over which sheet cladding is provided
- Length of the building is 270mtr and width of the building is 36mtr.
- M.S. rolling shutters, Trimix flooring, Ventilators and firefighting equipment etc. are provided.

The condition of the buildings was fair.

View: Coating Plant

(iv) Galvanized Coating Plant

- This plant building has BUA of 1290 sq.mtr.
- In this plant steel is coated with a layer of zinc to protect them from corrosion or rusting.
- It is Steel framed structure consisting heavy rafters and purlins with RCC footing, Side walls up to 5m over which sheet cladding is provided
- Length of the building is 60mtr and width of the buildingis 21.5mtr.
- M.S. rolling shutters, Trimix flooring, Ventilators and firefighting equipment etc are provided.

The condition of the buildings was fair.

View: GI Coating Plant

(iv) Laboratory

- The Laboratory has BUA of 288 sq.mt area.
- Laboratory includes Conference room, Calibration room, Record room, Space for UTM and Impact testing machines and other testing equipment, wash room.
- It has wooden furniture and glass paneled cabins.
- It is centrally air-conditioned.
- This building is newly constructed and sound in condition.

View: Laboratory

Miscellaneous Structures

- There are various other structures like Security Office, Weigh bridge, Central Store, Site office, Switch Yard, Dining hall, Pump House.
- Admin Building is an incomplete RCC structure where only Slab work has been done up to second floor. There is no construction activity conducted since last two years.
- 80% of entire Land area is fenced with cement sheet walls.

View: Admin Building

Miscellaneous Photographs:

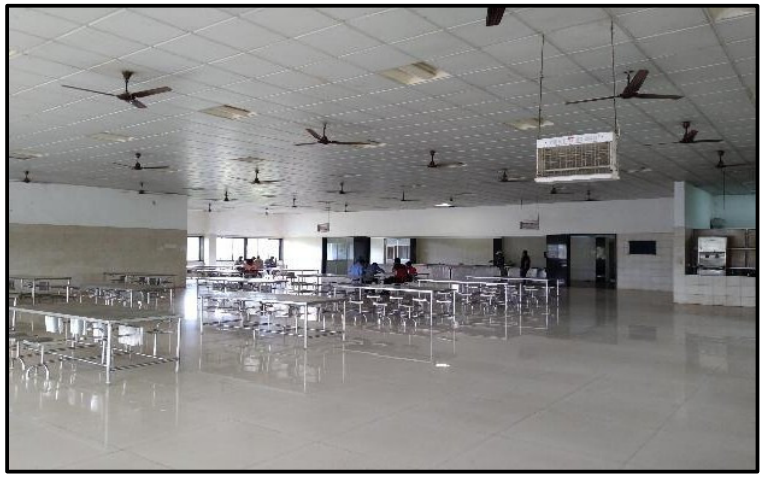
View: Security Office

View: Weigh Bridge

View: Central Store

View: Switchyard

View: Site Office



View: Canteen

View: Stocks in Central Store

View: Pump House

civil structures, land development works, foundation works and structural work for heavy machines

1) All the 13 no. of Buildings were constructed in 2010 and in 2014 and are approx. 5 years to 7 years old.
2) The buildings were in fair condition at the time of site visit.
3) Out of 13 no. of buildings, we had access to all the buildings except admin building as it was incomplete and not fully constructed.
4) For the built-up area of all the building, the information given by the representative of the company have been relied upon.
5) All the buildings have Steel framed structure and metal roofing except canteen, admin and security guard office building which are of RCC frame structure rested on RCC columns and brick walls.

S No	Particulars	Figures	Units	Refer
1	Total Built up area	**51,332.80**	Sqm	Annexure B
2	Total Construction Cost	51,85,20,610	Rs	
3	Depreciation	9,04,54,695	Rs	
4	Depreciation Replacement Cost	42,80,65,915	Rs	
5	Depreciation Replacement Cost	**42.80**	Rs. Cr.	

Land Development:

The development cost includes cost of leveling the land parcel, construction of internal roads, sewer lines, filter water supply, street light, boundary wall, tanks, foundation work of building and other smaller non measurable civil works. As per observation made during site visit, out of total land parcel of 108.18 acres, 60 acres of land is under open developed area and road. As per industry trends, cost of land development in such kind of industry comes in the range of Rs.5-15 Lacs per acre. It is to be noted that some of our open developed area is not under use, not maintained and has wild vegetation growth over it. Thus, a rate of around Rs.10.00 Lacs per acre is considered fair and reasonable for the purpose of valuation of subject property.

S No	Land Description		Units
1	Total land area	113.77	Acres
2	Development done on Land	60	Acres
3	Rate of land development	10,00,000	Rs. Per Acers
4	Total cost of land development	6,00,00,000	Rs.
5	Total cost of land development	**6.00**	Rs. Cr.

Chapter 3 Movable Assets

The company owns movable assets in the form of Plant & machinery, Furniture and Fixtures, IT equipment and some vehicles.

1. Plant and Machinery Description

The Plant and Machinery at site is majorly related to steel pipe manufacturing industry and is divided into 5 nos. of divisions namely Spiral Plant, Coating Plant, Galvanizing Plant, ERW Plant and Lab Equipment. Each unit is performing a specific task for end to end process for the manufacturing of Tubes and Pipes. The Laboratory is provided for the testing of the products.

Spiral Plant was found to be in operation at the time of site visit, while all the other plants were non-operational and has been shut down since past 2-3 years. The plant consists of the major machineries like Coil opener, Decoiler, Plasma cutting machine, Ultrasonic Detector, Epoxy systems, blasting machines, chiller unit and mill etc.

The company owns indigenous and imported machinery for the manufacturing of Pipes and Tubes. We have inspected most of the machines, equipment and other items in the plant for physical condition, material deterioration, technical obsolescence and economic life. As per the information gathered from the company representative, most of the machines and equipment in the plant were purchased from year 2009-11. As on date of site visit only spiral plant was in operating condition and all the other remaining plant was not operational.

The list below tabulates the make, technical details, operation status and condition of the main machineries as on date of site visit:

Galvanizing Plant: -

Galvanizing Unit						
Sr No.	**Year of Installation**	**Name of Machine**	**Make**	**Capacity/ Feature**	**Machine Number**	**Condition**
1	2010	EOT Crane	Electromech	5 Tones	2	Fair
2	2010	Acid Fume Blower	Bharat Bijli	20 Hp	2	Fair
3	2010	Acid Fume Suction Blower	Crompton Greaves	40 Hp	2	Fair
4	2010	Acid Fume Suction Pump	ABB	2 Hp	2	Fair
5	2010	Scrubber Blower	Crompton Greaves	30 Hp	2	Fair
6	2010	Scrubber Water Pump	ABB	3 Hp	2	Fair
7	2010	Dryer with Hot Circulation Blower	Crompton Greaves	30 Hp	1	
8	2010	Dryer Gear Box with Motor	Dynaspede	15 Hp	1	Fair
9	2010	Furnace Combustion Blower	Wesman Engineering	15 Hp	2	Fair
10	2010	Id Fan Blower	Crompton Greaves	3 Hp	1	
11	2010	Extraction Conveyor Gear Box with Motor	Dynaspede	7.5 Hp	1	
12	2010	Zinc Fume Blower with Pump	Crompton Greaves	30 Hp	1	Fair
13	2010	Furnace Oil Pump	Crompton Greaves	1 Hp	2	Fair
14	2010	Furnace Oil Pump	Remi	1 Hp	2	Fair
15	2010	Cyclone Collector Blower	Crompton Greaves	30 Hp	1	
16	2010	Zinc kettle	Usha Engineering	114 Tones	1	Fair
17	2010	Boiler	Thermax Ltd	850 Kg/Hr	1	Fair
18	2010	Stack (Chimni)	Usha Engineering	--	5	Fair
19	2010	Effluent Treatment Plant	Usha Engineering	80,000 Ltr/Day	1	Fair

ERW Unit: -

Erw Plant					
Sr No.	**Date Of Installation**	**Name of Machine**	**Make**	**Capacity/ Feature**	**Condition**
1	2009	Mill	ITL, India	Pipe Od: 21.3 Mm (Min), 114.3 Mm (Max) Tube thickness: 1.6 Mm (Min) 5.4 Mm (Max) Mill Speed: 100 M / Min (Max)	Fair
2	2009	Double Uncoiler	ITL, India	Strip Weight: 10 Mt (Max), Strip Width: 400 Mm (Max)	Fair
3	2009	Pinch Roll Levelling Machine	ITL, India	Strip Width: 400 Mm (Max)Strip Thickness: 5.4 Mm (Max)	Fair
4	2009	Shear End Welder	ITL, India	Strip Width: 60 Mm (Min), 400 Mm (Max) Strip thickness: 1.6 Mm (Min) 5.4 Mm (Max)	Fair
5	2009	Horizontal Accumulator	ITL, India	Strip Width: 60 Mm (Min), 400 Mm (Max) Strip. Thickness: 1.6 Mm (Min) 5.4 Mm (Max) Max. Feeding Speed of Entry Pinch Roll: 260 Mtr / Min	Fair
6	2009	Strip Levelling & Guiding Unit (Leveling Roll & Vgr)	ITL, India	Strip Width: 400 Mm (Max) Strip Thickness: 5.4 Mm (Max)	Fair
7	2009	Forming Section	ITL, India	Strip Width: 400 Mm (Max)Strip Thickness: 5.4 Mm (Max)	Fair
8	2009	High Frequency Welder	G & H, Spain	400 Kw	Fair
9	2009	Sizing Section	ITL, India	Pipe Outside Diameter: 114.3 Mm (Max) Pipe Wall thickness: 5.4 Mm (Max)	Poor
10	2009	Cut Off Machine	ITL, India	Tube Od: 21.3 Mm (Min), 114.3 Mm (Max) Tube thickness: 1.6 Mm (Min) 5.4 Mm (Max) Tube Length: 4 Meter (Min), 7 Meter (Max)	
11	2009	End Chamfering Machine	ITL, India	Tube Od: 20 Mm (Min), 115 Mm (Max) Tube thickness: 6 Mm (Max) Tube Length: 7 Meter (Max)	
12	2009	Hydrostatic Tester	ITL, India	52.73 Kg/Cm² (Max.)	Fair
13	2009	EOT Crane	Electromech	5mt Each (2 Nos.)	Fair
14	2010	Slitting Line	ITL, India	Strip Width: 350 Mm (Max). Strip Thickness: 5.4 Mm (Max)	Fair

Spiral Plant: -

SPIRAL PLANT						
SR NO.	**YEAR OF INSTALLATION**	**NAME OF MACHINE**	**MAKE**	**CAPACITY/ FEATURE**	**MACHINE NUMBER**	**Condition**
1	Dec-09	Coil Opener	INITECH Machinery Co. Ltd	Coil Width: 2000 mm (Max), Loading Capacity: 40 MT	1	Fair
2	Dec-09	Helical Saw Pipe Mill	INITECH Machinery Co. Ltd	Pipe Diameter: 18" - 80, Wall Thickness: 6 MM - 25 MM, Pipe Length: 8.0 to 12.7 Mtr	1	Fair
3	Dec-09	Coil Loading Carriage	INITECH Machinery Co. Ltd	Coil Width: 800 mm to 2000	1	Fair
4	Dec-09	Decoiler		Inside Diameter: 720 - 780 mm	1	Fair
5	Dec-09	Auxiliary Drive & Flattening		Drive Rating: 2x60 KW, Strip Speed: 9 Mtrs/min (Max)	1	Fair
6	Dec-09	Plasma Cutting Cross Milling	Hypertherm, Singapore	Plasma Current Capacity: 260 AMPS	1	Fair
7	Dec-09	Coil to Coil Weld Joint	ESAB, Sweden	EsabDC:1650 Amps		Fair
8	Dec-09	Coil Ultrasonic Testing Machine	GE Inspection Technology	Coil Width:800-2000 mm		Fair
9	Dec-09	Edge Milling	INITECH Machinery Co. Ltd	Milling Cutting Dia:600 mm		Fair
10	Dec-09	Main Drive		Drive Output:2*200 KW	1	Fair
11	Dec-09	Strip Edge Bending Machine		Feed Rate Horizantal:0.55 m/min	1	Fair
12	Dec-09	Pipe Forming-3 Roll Machine	Mechanical Initech Machinery Co. Ltd, Welding Section: ESAB	Dia. of forming Roller:180 mm	1	Fair
13	Dec-09	Continuous tack welding	ESAB, Sweden	EsabDC:1650 Amps	1	Fair
14	Dec-09	Plasma Cutter	Hypertherm	Capacity:400 Amps	1	Fair
15	Dec-09	Repair Station	Welding Rectifier-Memco	Capacity:400 Amps	1	Fair
16	Dec-09	Pipe Cleaning Machine	M/s Admech Systems Pune	Rotating Brush Speed:1800-2800 rpm	1	Fair
17	Dec-09	Automatic Saw ID/OD Offline Welder Sections	Mechanical Initech Machinery Co. Ltd. Welding Section: ESAB	ESAB Tandem Welding System: DC-1650 Amps	1	Fair
18	Feb-10	Flux Heating Oven	Local Supplier	Capacity:500 Kg	1	Fair

SPIRAL PLANT						
SR NO.	**YEAR OF INSTALLATION**	**NAME OF MACHINE**	**MAKE**	**CAPACITY/ FEATURE**	**MACHINE NUMBER**	**Condition**
19	Feb-10	Pipe Suction Machine	M/s Admech Systems Pune		1	Fair
20	Feb-10	Old Cross Seam Welder	M/s Admech Systems Pune, Welding Lincoln, USA	Welding System: DC-2000 Amps	1	Fair
21	Feb-10	SAW Repair Station	Smaw Machine Memco	Capcity-600 Amps	1	Fair
22	Feb-10	Radiography Machine	GE Inspection Technology	225KVA	1	Fair
23	Feb-10	Pipe End Ring Cutting machine	M/s Admech Systems Pune	Capacity:200 Amps	1	Fair
24	Feb-10	End Chamfering Machine	Initech Machinery Co. Ltd.	OD:18"-80"	1	Fair
25	Feb-10	Hydrostatic Tester	Initech Machinery Co. Ltd.	OD:18"-80", Force:3500 Tons	1	Fair
26	Feb-10	Automatic Ultrasonic Testing machine	GE Inspection Technology	Pipe OD:24"-64"	1	Fair
27	May-10	Ultrasonic Flaw Detector	Modsonic	0-5 Meter	1	Fair
28	May-10	X-Ray Machine	GE Inspection Technology	225KVA	2	Fair
29	May-10	Magnetic particle Inspection Machine	Dayglo	Current: 0-6000 AC	1	Fair
30	May-10	Weight machine	Avery India Ltd.	Capacity:20MT	1	Fair
31	May-10	Weight Bridge	Essae Deigitronics	Capacity:100 MT	1	Fair
32	May-10	EOT Crane	Electromech, Pune	Load Capacity:40 MT	7	Fair
33	May-10	Conveyor	Bonfiglioli Group	OD:18"-80"	540	Fair

Coating Plant: -

COATING PLANT						
SR NO.	**YEAR OF INSTALLATION**	**Name of Machines**	**MAKE**	**CAPACITY/ FEATURE**	**MACHINE NUMBER**	**CONDITION**
1	2010	Preheating Oven (Gas Fired)	Initech Machinery Co. Ltd, Korea	9,00,000 kcal/hr	1 set	Fair
2	2010	Blasting machines	Initech Machinery Co. Ltd, Korea	600 sq.mt/hr	2 set	Fair
3	2010	Phosphoric Acid Application System	Initech Machinery Co. Ltd, Korea	200 Litre/hr	1	Fair
4	2010	High Pressure Water wash system	Initech Machinery Co. Ltd, Korea	2500 PSI, 15 Litre/min	2	Fair
5	2010	DM Plant	Initech Machinery Co. Ltd, Korea	2 m3/hr	1	Fair
6	2010	Preheating Induction System	Inductotherm, India	400 KW Total	2	Fair
7	2010	Epoxy Application System	ITW Gema, Switzerland	24 Guns,17 Kg/hr	1 set	Fair
8	2010	Adhesive Application System	Initech Machinery Co. Ltd, Korea	350 kg/hr	1	Fair
9	2010	PE/PP Application System	Initech Machinery Co. Ltd, Korea	2600 kg/hr	2 set	Fair
10	2010	Chiller unit	Blue Star, India	18 m3/hr	1	Fair
11	2010	End Cleaning Machine	Initech Machinery Co. Ltd, Korea	Dia:8-64	1set	Fair
12	2010	EOT Cranes	Electromech, India	15 MT each	5	Fair
13	2010	Air Compressor	Atlas Copco	1000 CFM each	2	Poor
14	2010	Air Dryer	Gem, Coimbatore	300 CFM	1	Fair
15	2010	Preheating Oven (Burner Flame-Direct Heating)	Initech Machinery Co. Ltd, Korea	2,00,000kcal/hr	1 set	Fair
16	2010	Blasting machines	Initech Machinery Co. Ltd, Korea	500 sq.mt/hr	2 set	Fair
17	2010	Liquid Epoxy Application	Graco, USA	500 sq.mt/hr	1 set	Fair

Statement of plant and machinery installed at the site and assumption / limiting conditions for valuation:

- The plant and machinery consist of machines used in manufacturing of pipes and tubes. According to the list of machines shared with us, Major machineries such as Coiler, De-coiler, Plasma Cutting Machine and ultrasonic detector etc. Major machines were available at the site although some of the auxiliary machines were not available at the time of site visit.

- A detailed FAR was not provided instead a list of machineries was provided. Major number of machines available at the site match with the number of machines details provided to us.

- Bifurcation of the price of machinery and equipment into ex works, CST, loading unloading charges, insurance charges, erection and commissioning charges and pre-operative expenses were not available.

- At the time of site visit, none of the plant were operational except Spiral Plant, hence the assessment of workability and efficiency of the whole plant was not possible.

- The machines which were identified at the time of site visit, are taken into consideration for the purpose of valuation.

- The plant and machinery available at the site are normally required / used in such types of facility. Due to unavailability of bills and FAR, for the GCRC (Gross Current Replacement Cost), quotations from different suppliers (For the whole plant/individual Machines) and verbal enquiry has been taken into consideration. Over the GCRC, a discounting factor is applied over the Economic life to arrive at a DRC (Depreciated Replacement Cost).

- The value reported in the report is on a "Whole" basis and not on the part or fraction basis. Unless otherwise mentioned, the value reported is realizable when all the assets of all the units of the company are sold as a "Whole" and not as Part or fraction.

<table>
<tr><th colspan="2">Galvanizing Unit</th></tr>
<tr><td>Acid Fume Blower
Acid fume blowers are used for the sheet dipped into the acid tank and the fans are mostly resistant to weathering, corrosive fumes and explosive gases and by the blower it is released to the atmosphere.
Quantity:2 Nos.
Make: Bharat Bijli
Capacity:110 TPH</td><td> 
Image: Acid Fume Blower</td></tr>
<tr><td>Scrubber blower
The air drowns through the slots provided on duct of tanks are brought to the scrubber. The contaminated air scrubbed with the help of a pall rings and cross flow water spray so that the air gets purified and entered into the eliminator zone where the heavy water drops leave the air and pure air exhausted out to the atmosphere with the help of blower and chimney
Quantity: 1
Make: Crompton Greaves
Capacity: 30 HP</td><td> 
Image: Scrubber Blower</td></tr>
</table>

Furnace Combustion Blower: Furnace Blower is a heat rejection device, which extracts waste heat to the atmosphere though the cooling of a water stream to a lower temperature. • **Quantity:** 2 Nos. • **Make:** Wesman Engineering • **Capacity:** 15HP	 **Image: Furnace Blower**
Zinc kettle: It is most commonly used to create a brighter coating appearance and to slightly increase the fluidity of zinc. the increase in fluidity helps to improve the drainage of excess zinc off a product and back into the galvanizing kettle. • **Quantity:** 1 • **Make:** Usha Engineering • **Capacity:** 80,000 LTR/Day	 **Image: Zinc kettle**

ERW Plant	
Hydrostatic Tester: • Hydrostatic test is a procedure of determining the strength and leak-resistance of pipes. Machine adopts advanced welding technology and offers dual welding arcs, increased speed, higher deposition, superior mechanical properties. In ERW pipe it is often found that the rupture opening is broken of the welding line, which indicates the strength of the welded parts is lower than the base metal. It is used for tensile test for the weld. • **Quantity:** • **Make:** ITL, India • **Capacity:**52.73 kg/cm^2	 **Image: Hydrostatic tester**
High Frequency Welder Sizing Section: • Using a high frequency electromagnetic field, the material is heated and pressure added to the material surfaces to be joined together. Electrodes are used to feed the energy. Electricity allows for molecules inside the material to start to move and generate heat which softens the material and hence joins the material. • **Quantity:** • **Make:** G&H, Spain • **Capacity:** 400 Kw	 **Image: High Frequency welder**

Spiral Plant	
Coil Opener: • Its major function is to the Opening the coil. The large diameter coil end can be pulled out easily through coil opener and the wire crooked part can be straightened through straightening rollers. • **Quantity:1** • **Make:** ITL, India • **Capacity:**52.73 kg/cm^2	 **Image: Coil Opener**
Plasma Cutting Machine: • Plasma cutting is a process that cuts through electrically conductive materials by means of an accelerated jet of hot plasma. Plasma cutters work by sending an electric arc through a gas that is passing through a constricted opening. The gas can be shop air, nitrogen, argon, oxygen. • **Quantity:** 1 • **Make:** Hypertherm, Singapore • **Capacity:** Plasma Current Capacity 260 Amp	 **Image: Plasma Cutting Machine**

X. Ray Machine: • This X-Ray machine provide productivity benefits such as enhancement in image analysis, and improvement in data management, image archiving and transmission. Inspection of metal casting is possible through X-Ray machine • **Quantity: 2** • **Make:** GE Inspection Technology • **Capacity:** 225KV,40mA	 **Image: X-Ray Machine**
Main Drive Roller: • This power rollers are used to convey heavier loads under controlled conditions. • **Quantity: 1** • **Make:** Initech Machinery Co. Ltd • **Capacity:** Drive Speed 5.5 rpm	 **Image: Main Roller**

Welding System:

Welding System is used for the production of longitudinally welded large diameter pipes. Longitudinal edges of steel plates are first bevelled using carbide milling equipment. The machines were operational at time of visit.

- **Quantity:** 1
- **Make:** Initech Machinery Co. Ltd
- **Capacity:** Drive Speed 5.5 rpm

Image: Welding System

Ultrasonic Flaw Detector:

- Sound waves of high frequency are generated and passed through surfaces and returning waves are observed and flaws can be identified from the ultrasonic wave patterns. In ultrasonic flaw detection the minimum limit of detection is one-half wavelength and the minimum measurable thickness is one wavelength, respectively.
- **Quantity:** 1
- **Make:** Modsonic
- **Capacity:** 0-5 Meters

Image: Ultrasonic Detector

Coating Plant	
Preheating Oven: • A Preheat oven is used to heat the product to a specified temperature before it is moved to the next phase of the manufacturing process such as coating, fitting or welding. • **Quantity:**1 • **Make:** Initech Machinery Co. Ltd, Korea • **Capacity:** 90,00,000 Kcal/hr	 **Image: Preheating Oven**
Blasting Machine: • Casting needs to be polished. Blasting machine are utilised to polishing the surface of the products and the good part is it will not damage the appearance and the performance of the product. • **Quantity:** 2 • **Make:** Initech Machinery Co. Ltd, Korea • **Capacity:** 600 Sq.mt/hr	 **Image: Blasting Machine**

Epoxy Systems: • epoxy-based coating is used to protect various sizes of steel pipes and on a wide variety of piping connections to prevent them from deterioration due to corrosion. • **Quantity:** 2 • **Make:** Initech Machinery Co. Ltd, Korea • **Capacity:** 600 Sq.mt/hr	 **Image: Epoxy System**
Chiller Unit: • Chiller is a machine that removes heat from a liquid via a vapor-compression or absorption refrigeration cycle. This liquid can then be circulated through a heat exchanger to cool pipes or products, or another process stream. • **Quantity:** 2 • **Make:** Initech Machinery Co. Ltd, Korea • **Capacity:** 600 Sq.mt/hr	 **Image: Chiller Unit**

Photographs of Auxiliary Machines:

Image: ETP

Image: DG Set


Image: EOT Crane

Image: Oil Tank


Image: RO Plant

Image: Edge Bending

Image: Milling Machine

Image: Joint Machine

Image: Pipe Forming

Image: Ultrasonic

Image: Heater

Image: Cleaning machine

Image: UTM

Image: Oven

Image: Oven

Image: Detector

Image: Lab equipment

Image: Compressor

- Other advances

  As per the provisional balance sheet dated 11-Dec-2018, other advances amount to Rs. 41.40 Cr. The details of the same are tabulated below:

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)	Our Assessment
1	***Advance Income Tax/Refund due***		
	TDS (A.Y.2011-2012)	1,46,03,779	As per management comments, this is pending with CIT Appeal and ITAT, Appeal Filling dt. 03.12.2016.
	TDS Receivable (A.Y.2012-2013)	1,16,65,335	As per management comments, this is pending with CIT Appeal and ITAT, Appeal Filling dt.03.12.2016.
	TDS (A.Y.2013-14)	82,88,177	As per management comments, this is pending with CIT Appeal and ITAT, Appeal Filling dt.04.12.2016.
	TDS (A.Y. 2014-15)	58,82,271	As per management comments, the TDS is refundable but assessment is still pending. Thus, value considered realizable is NIL.
	TDS (A.Y. 2015-16)	58,22,750	
	Tds (A.Y. 2016-17)	55,18,865	
	Work Contract Tax 2% - NTPC Solapur	3,39,132	
	Tds (Ay-2017-18)	3,15,202	

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)	Our Assessment
	TDS (AY 2019-20)	1,79,445	
	Advance Tax A.Y. 2011-12	1,05,050	
	TDS (Ay-2018-19)	47,009	
	TDS on Salary Deposit	34,923	
	Advance Income Tax A.Y. 2010-11	15,532	
	TDS on Rent Deposit	7,161	
	TDS on Contactor	2,353	
	Subtotal	**5,28,26,984**	
2	***Balance with Excise and Custom Authority***		
	Deposit Under Protest	2,85,75,390	As per management comments, this deposit under protest has been created from the CENVAT receivable on Capital Goods on dated NOV-DEC 2016, appeal for the FY 16-17 is pending.

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)	Our Assessment
	Pre-Deposit for Appeal-Excise	2,08,67,271	As per management comments, Pre-Deposit for Appeal also created from the CENVAT RECEIVABLE on Capital Goods dated March 2017 and the assessment for the same is pending.
	Custom Duty Paid – Advance License	1,82,05,101	This advance pertains to the current financial year and the assessment for the same is pending.
	ED Cess Receivable	31,09,666	
	S & H Ed Cess Receivable	14,73,680	
	Subtotal	**7,22,31,108**	
3	***Balance with Service Tax & GST Authority***		
	ITC CGST Receivable	13,36,52,589	This amount pertains to the current FY 2017-18 and FY 2018-19. As per the information provided, an amount of Rs. 13.38 Cr. is available as GST credit carried forward from previous FY.
	ITC IGST Receivable	15,95,016	
	ITC SGST Receivable	3,35,397	
	PLA (CASH) LEDGER	32,950	
	Service Tax (Pending A/c)	12,49,693	
	ED Cess Receivable on Service Tax	9,86,466	
	Higher ED Cess Receivable on Service Tax	4,98,243	
	PLA-Service Tax Receivable	14,638	As per management comments, the assessment of service tax is pending.

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)	Our Assessment
	Subtotal	**13,84,64,992**	
4	***Margin Money***		
	Margin Money Against LC/BG -UBI	12,13,25,912	As per the information provided, the company has requested all bankers to provide their respective confirmation and/or Statement w.r.t. non operative current account and FDR, Margin Money lying with Banks.
	Fixed Deposit	50,00,000	
	Margin Money Against LC/BG- SBP	41,42,558	
	Margin Money Against LC/BG - Syndicate	39,96,535	
	Margin Money Against LC/BG – Allahabad	23,31,745	
	Margin Money Against LC/BG – PNB	19,44,005	
	Pnb-FD-1232002100046726	16,89,255	
	Fixed Deposit-Karur Vysya	10,99,917	
	Gharpure – Margin Money	7,90,929	
	SMC Infrastructure (Margin Money)	6,62,000	
	Steel Authority Of India Ltd.(Margin Money)	4,40,000	
	Margin Money Against LC/BG- OBC	2,88,436	
	Margin Money Agst Lc/Bg-SBH	2,00,080	
	Uttam Value Steel Ltd.-Margin	1,39,730	
	GVPR – Margin Money	1,30,000	
	Margin Money Against LC/BG SBI	1,03,764	
	Greatweld Steel Grating P. Ltd (Margin Money)	22,560	
	Greatweld Engineering Pvt. Ltd. (Margin Money)	3,968	
	Margin Money Against Discounting	-	
	Interest Receivable on FDR	-2,18,517	

S. No.	Particulars	(In Rs.)	Our Assessment
	MSTC Ltd (Margin Money for Coil)	-34,50,000	
	Margin Money Against LC/BG-BOB	-60,96,121	
	Subtotal	**3,13,64,605**	
5	Other Current Assets		
	PSI Receivable F.Y.15-16	3,00,92,988	
	PSI Receivable F.Y.14-15	2,20,21,232	
	PSI Receivable F.Y.13-14	1,91,15,270	
	PSI Receivable F.Y.11-12	91,09,562	
	PSI Receivable F.Y.12-13	61,37,663	
	PSI Receivable F.Y.10-11	37,52,642	
	Staff Loans & Advances	70,33,763	
	VAT REFUND RECEIVABLE F.Y.2014-15	67,37,571	

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)
	VAT REFUND RECEIVABLE F-Y 2015-16	60,76,080
	VAT REFUND RECEIVABLE F.Y.2010-11	44,56,784
	VAT REFUND RECEIVABLE F.Y.2012-13	40,91,893
	VAT REFUND RECEIVABLE F.Y.2013- 14	4,01,608
	FBT (F.Y.2008-09)	1,40,231
	Prepaid Expenses	71,457
	Subtotal	**11,92,57,151**
	Total	**48,62,75,949**

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)
	Vinayak Ganesh Joshi-Godown Deposit	3,00,000
	Deposit – M P C B	2,45,000
	Deposit – Khopoli GH – Anugraha Bunglow	2,00,000
	Deposit – Pedali Guest House – Milind Desh	1,87,500
	Deposit – Kgn Investment-Khopoli	1,50,000
	Deposit – Khopoli- Amir Khan	1,50,000
	Deposit- (ITL Case)	1,39,811
	Deposit – Ashtvinayak Petrolium-Pali Phata	1,10,000
	Deposit – P.W.D. Mahad	1,00,000
	Deposit – Manganese Ore (India) Ltd.	66,000

S. No.	Particulars	BV as on 11-Dec-18 (In Rs.)
	Deposit – Executive Engineer Raigad Irrigation	65,600
	Deposit – Kharghar Guest House	55,220
	Deposit – Khopoli Guesthouse	50,000
	Deposit – Gail (India) Ltd.	45,000
	Deposit – Om Gases and Chemicals	30,000
	Deposit – MTNL	12,000
	Deposit – Raigad Gas	6,800
	Deposit – Super Service Station – Worli	5,000
	Deposit – BSNL (Site)	1,442
	Total	**47,52,623**