

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH, CHANDIGARH

(ORIGINAL JURISDICTION)

IA No. 962 Of 2020 in

CP(IB) no. 39/Chd/Pb/2017

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF THE INSOLVENCY & BANKRUPTCY CODE, 2016

AND

IN THE MATTER OF SCHEME OF COMPROMISE

AND

IN THE MATTER OF

MUSKAAN POWER INFRASTRUCTURE LIMITED

.....APPLICANT COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE CONVENING MEETING OF OPERATIONAL CREDITORS OF MUSKAAN POWER INFRASTRUCTURE LIMITED

To

The Operational Creditors

of Muskaan Power Infrastructure Limited

Take Notice that the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh vide its 9th February 2023 (date of pronouncement), inter alia, directed for the convening of a meeting of The Operational Creditors of **Muskaan Power Infrastructure Limited** through Video Conferencing to consider and, if thought fit, approve the proposed Scheme of Compromise/ Arrangement between Muskaan Power Infrastructure Limited, Applicant Company and its Promoters and Shareholders and other connected matters, if any. In the said meeting, the following Special Business will be transacted:

To consider and, if thought fit, to pass, the following resolution with a specific majority as provided under Sections 230 & 232 of the Companies Act, 2013 and other applicable provisions, if any:

***“Resolved that** under the provisions of Sections 230 of the Companies Act, 2013, the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, together with Sections 2(1B) and 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any, and subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, consent of the meeting be and is hereby accorded for the proposed Scheme of Compromise/ Arrangement between Muskaan Power Infrastructure Limited, Applicant Company and its Promoters and Shareholders, and other matters connected with the aforesaid Scheme, if any.*

RESOLVED FURTHER THAT the Report on Valuation in respect of Shares & the property and all assets, tangible and intangible, movable and immovable of the Company prepared by Mr. Sachin Goel, Registered valuer bearing Registration No. IBBI/RV/02/2018/10002 for Land & Building, Mr. Ankit Goel, Registered valuer bearing Registration No. IBBI/RV/02/2018/10008 for Plant & Machinery, vehicle, equipment and stock, Mr. Ankush Garg, Registered valuer bearing Registration No. IBBI/RV/02/2018/10010 for Enterprise Value and Realizable Value, SSS valuation Professionals Private Limited, Registered value entity bearing Registration No.

IBBI/RV-E/06/2020/116 for valuation of shares, registered with the Insolvency and Bankruptcy Board of India (IBBI), as placed before the meeting, be and is hereby received, considered and taken on record.

RESOLVED FURTHER THAT *the salient features/terms and conditions of the proposed Scheme as set out in the draft Scheme of Compromise placed before the meeting, which, inter-alia, include the following:*

- i. The Company proposes to repay part of the dues to its Financial Creditors with the aim to restructure its account in the books of its Financial Creditors.*
- ii. Revised repayment schedule and revised rate of interest on all borrowings at 9% p.a till the final repayment date.*
- iii. The Company proposed to sell four Immovable Properties (IPs), non core assets, having a market value of approx. Rs. 1.6 cr in a time frame of 12 months from the effective date and the amount shall be used to reduce the outstanding balance of State Bank of India (SBI) since the same are mortgaged to SBI. The propounder of scheme has undertaken that in case of a shortfall in realization amount of securities, they shall meet the deficit from their own sources.*

“Resolved further that *subject to the approval of the Hon'ble National Company Law Tribunal and other competent authorities, if any, the proposed Scheme of Compromise/ Arrangement between Muskaan Power Infrastructure Limited, Applicant Company and its Promoters and Shareholders, as placed in the meeting, be and is hereby approved.*

RESOLVED FURTHER THAT *the Liquidator of the Company be and is hereby authorized to take necessary steps to obtain necessary approval(s) for the aforesaid Scheme and effective implementation of the same, including but not limited to, to agree to such conditions or modifications that may be imposed, required or suggested by the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh or any other authorities or that may otherwise be deemed fit or proper by the Board and to do all other acts, deeds or things which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid Scheme.”*

Take Further Notice that in pursuance of the said order, a meeting of **the Operational Creditors of Muskaan Power Infrastructure Limited is scheduled to be held through Video Conferencing on Saturday, the 1st day of April 2023 at 12.30 PM** which you are requested to attend.

The facility of remote e-voting will be available during the prescribed period before the meeting. Accordingly, Equity Shareholders can vote through remote electronic means (without attending the meeting), instead of voting in the meeting.

The Hon'ble Tribunal has appointed Mr. Sanjeev Kumar Kaushik, Advocate as the Chairperson, and Mr. Jalesh Kumar Grover, the Liquidator as Scrutinizer of the aforesaid meeting.

A copy of the Explanatory Statement under Sections 230 of the Companies Act, 2013, the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, and other applicable provisions, if any), the proposed Scheme of Compromise and valuation report and other documents are enclosed.

The proposed Scheme of Compromise, if approved in the meeting(s), will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh.

Dated this 25th day of February 2023

Sd/-
Jalesh Kumar Grover
Liquidator/ Scrutinizer of
Muskaan Power Infrastructure Limited
Regn No IBBI/IPA-001/IP-P00200/2017-2018/10390
Email: For Correspondence -mpil@ducturus.com
Email: Regd. With IBBI -jk.grover27@gmail.com
Mob:9501081808

Notes:

1. In view of COVID-19 pandemic, the present meeting is proposed to be convened through Video Conferencing in terms of the Order passed by the Hon'ble National Company Law Tribunal, the Guidelines issued by the Ministry of Corporate Affairs, and the relevant provisions of the Companies Act, 2013, if any. The facility of remote e-voting will be available during the prescribed period before the meeting, and through the e-voting platform which will be available during the meeting.
2. Right2vote Infotech Private Limited is appointed to provide a remote e-voting facility before the meeting and to provide an e-voting platform during the meeting, in a secured manner; as well as to provide a platform for convening the meeting through Video Conferencing.
3. Notice of the meeting will be sent to all Operational Creditors of the Company through approved mode(s).
4. Operational Creditors who have not registered their e-mail id can get the same registered by sending the request to the Company at mpil@ducturus.com.
5. In case of any difficulty in registering the e-mail id; e-voting or attending the meeting through Video Conferencing, etc., the following persons may be contacted:

Mr. Jalesh Kumar Grover	Email ID: jk.grover27@gmail.com/mpil@ducturus.com Mob:9501081808/7837286540
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6. Only Operational creditors of the Company may attend the meeting of Operational Creditors through Video Conferencing and vote through e-voting system.
7. **Institutional/Corporate Members of the Company (i.e., other than individuals/HUF, NRI, etc)** are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation, etc., authorizing its representative to attend

the meeting and vote on its behalf. The said Resolution/Authorization may be sent to the Scrutinizer at mpil@ducturus.com .

8. Please take note that since the meeting is proposed to be held through Video Conferencing, the option of attending the meeting through a proxy is not applicable/available.
9. Instructions for attending the meeting through Video Conferencing and voting through the e-voting system are given at the end of this notice.
10. Voting may be made through remote e-voting which will be available during the prescribed period before the meeting (as given below), and through e-voting platform which will be available during the meeting:

Commencement of remote e-voting	MONDAY, 27 TH MARCH 2023 at 9:00 A.M. IST
End of remote e-voting	FRIDAY, 31 ST MARCH 2023 at 5:00 P.M. IST

11. All the Operational Creditors will be entitled to attend the meeting through Video Conferencing. However, the Operational Creditors who have already voted through the remote e-voting process before the meeting, will not be entitled to vote at the meeting.
12. Operational Creditors attending the meeting through video conferencing shall be counted to reckon the quorum.
13. The Applicant Company has a website www.muskaanpower.com.

Encl.: As above

INSTRUCTIONS FOR THE OPERATIONAL CREDITORS FOR REMOTE E-VOTING AND

JOINING THE MEETING ARE AS UNDER:

- i. The remote e-voting period begins MONDAY, 27TH MARCH 2023 at 9:00 A.M. IST and ends FRIDAY, 31ST MARCH 2023 at 5:00 P.M. IST. The remote e-voting module shall be disabled by right2vote for voting thereafter. The voting right of Creditors/Stakeholders shall be in proportion to their respective shares. Detailed instructions for procedure of e-voting shall be sent separately before date of e-voting.
- ii. WEBSITE LINK: The participating members should log on to the e-voting website <https://right2vote.in/login/duringthevotingperiod>. They can also download “Right2Vote” app on their android or IOS mobile phones from the respective app stores.
- iii. USER ID: Enter your mobile number. Your mobile number is your user ID. Kindly ensure you use the same mobile number as notified to the company for e-voting.
- iv. PASSWORD: Press Get OTP. OTP (One Time Password) would be delivered on your mobile via SMS. The OTP is the password. Once you enter the OTP you would be logged in.
- v. VOTING PAGE: Once logged in, you would be directed to My Poll Invite page/VOTER page. Here you would see the poll from the Company listed. Click on the poll and you would be taken to voting screen/voting page.
- vi. OPTIONS: On the voting page, you will see all the items to be voted upon. Against each item, following options would be available:
 - a. APPROVE / ACCEPT / YES
 - b. REJECT / NO
 - c. ABSTAINSelect the option APPROVE or REJECT, as desired. The option APPROVE implies that you assent to the respective item and option REJECT implies that you dissent to the respective item. The creditors can also select ABSTAIN. In that case, creditors, shall be deemed to have abstained from voting for that respective item.
- vii. CONFIRMATION: After selecting the option, if you have voted, click on “SUBMIT/DONE”. You would receive a “THANK YOU” message on the screen. This is a

confirmation that your vote has been registered.

- viii. VOTE RECORD: You can anytime check what you voted or how your vote has been recorded by clicking on MORE on VOTER page and selecting VOTE RECORD. You can also take a printout from here.
- ix. Votes can also be cast using Right2Vote's mobile app „Right2Vote“ available for android based mobiles. The „Right2Vote“ app can be downloaded from Google Play Store. Apple users can download the app from the AppleAppstore.
- x. In case you have any queries or issues regarding e-voting, write an email to contact@Right2vote.in

EXPLANATORY STATEMENT UNDER SECTION 230 & SECTION 102 OF THE COMPANIES ACT, READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS, AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NCLT CONVENED MEETING OF THE OPERATIONAL CREDITORS OF MUSKAAN POWER INFRASTRUCTURE LIMITED

1. That the Hon'ble National Company Law Tribunal, Chandigarh Bench, by Order dated 09.02.2023 in the IA No. 962 Of 2020 in CP(IB) no. 39/Chd/Pb/2017, concerning the Scheme of Compromise/Arrangement between Muskaan Power Infrastructure Limited, Applicant Company and its Promoters and Shareholders ("**Scheme**") has directed to convene a meeting of the Operational Creditors of Muskaan Power Infrastructure Limited on **1st day of April 2023 at 12.30 PM** through Video Conferencing , to consider and if thought fit, approving, with or without modification(s), aforesaid Scheme of Compromise.

The definitions contained in the Scheme will apply to this explanatory statement also.

2. The Corporate Insolvency Process has been initiated against the M/s Muskaan Power Infrastructure Limited corporate debtor by order dated 28.07.2017 in Company Petition No.39/Chd/Pb/2017. The Resolution Professional has filed an application for initiation of the liquidation process of the corporate debtor by CA No.137/2018, and the same was allowed by order dated 11.12.2018. Mr Ravi Mahajan - the Suspended Board of Directors (SBD) has approached the Hon'ble National Company Law Appellant Tribunal by Company Appeal (AT) (Insolvency) No. 66/2019 challenging the liquidation order. The order of NCLT has been upheld by Hon'ble NCLAT by order dated 15.04.2019 with a liberty to the members of promoters to propose the scheme in terms with the statement and object of Insolvency and Bankruptcy Code,2016. Mr. Ravi Mahajan, Suspended Board of Director (SBD) has shown interest to propose a Scheme of Compromise/Arrangement by email dated 08.05.2019. The Scheme of Compromise/Arrangement has been submitted by him on 01.07.2019. The Scheme proposed by the Suspended Board of Directors is discussed and put to the vote in the 6th Meeting and has been duly approved by the Stakeholders' Consultation Committee

with 85.07% voting share through e-voting.

3. In view of the above, Hon'ble National Company Law Tribunal, Chandigarh Bench passed an order vide order dated 09.02.2023 concerning the Scheme of Compromise/Arrangement between Muskaan Power Infrastructure Limited and its Promoters and Shareholders, that the meetings of the Equity Shareholder (where all consents have been received) and a class of Operational Creditors except suppliers (where 100% payments are proposed) of the Corporate Debtor are dispensed with. The Liquidator of the Company shall convene the meetings of the Financial Creditor and a class of Operational Creditor i.e. suppliers as per the directions given below:-

a. The Liquidator is directed to cause publication of notice in "Times of India" (English, Delhi NCR Edition) and in "Jansatta" (Hindi, Delhi NCR Edition) within 7 days from the date of this order;

b. Let notices be sent to all the authorities by the Liquidator and in addition to that, notices are also directed to be issued to the concerned RoC, RD and Income Tax Department including the Jurisdictional Assessing Officer mentioning the PAN number as well as others as contemplated under Section 230 (5) of Companies Act, 2013. The said authorities to whom notices have been issued in terms of the provisions of Section 230(5) of the Companies Act, 2013 shall act in accordance thereof;

c. The Liquidator shall furnish an Affidavit of service of notice of meetings and publication of advertisement and compliance of all the directions contained herein at least a week before the proposed meeting;

d. The meeting of the Financial Creditor shall be Convened on 01.04.2023 at 10:30 Am through Video Conferencing. The quorum of the meeting of the Financial Creditors shall be 60% in value of the Financial Creditors;

e. The meeting of the class of Operational Creditors i.e. suppliers shall be Convened on 01.04.2023 at 12:30 PM through Video Conferencing. The quorum of the meeting of the Operational Creditors i.e. suppliers shall be 60% in value of the Operational Creditors;

f. The Chairman for the aforesaid meetings to be convened shall be Mr. Sanjeev Kumar Kaushik, Advocate Phone No. 9417233385, Email- sanjeev.kaushik.adv@gmail.com who

shall file his report in relation to the meeting and its outcome within seven (7) days from the date of the meeting. The remuneration payable to the Chairman shall be Rs. 1,50,000/- (One Lakh and Fifty Thousand Rupees Only). The Scrutinizer for the meetings shall be the Liquidator.

g. In case the required quorum as noted above for the meetings is not present at the commencement of the meeting, the meeting shall be adjourned by 30 minutes and thereafter the persons present and voting shall be deemed to constitute the quorum.

h. Since the Scheme has been propounded by Mr Ravi Mahajan, we direct them to make arrangements for the expenses likely to be incurred in relation to the meetings including the fees of the Chairman appointed as above and for placing the Scheme before the Financial Creditor and Class of Operational Creditor i.e. Suppliers. In case of any query being addressed by the members attending the meeting in relation to the Scheme and with a view to addressing those queries and to offer clarifications, we deem it fit to allow Mr. Ravi Mahajan or his representative to be a participant but not being entitled to vote under any circumstances.

4. A copy of the Scheme setting out in detail the terms and conditions of the Compromise, *inter-alia*, providing for the proposed Scheme of Compromise/Arrangement between Muskaan Power Infrastructure Limited, Applicant Company and its Promoters and Shareholders, which have been approved by the Equity shareholders dated 02.11.2020 and Financial Creditors by 85.07% at its meeting held on 05.09.2020 is attached to this explanatory statement and forms part of this statement as **Annexure I**.

2.1.1 MUSKAAN POWER INFRASTRUCTURE LIMITED (Applicant Company) is a Limited Company Incorporated on 17th November 2008 vide CIN: U31102PB2008PLC032418 under the name and style of MUSKAAN POWER INFRASTRUCTURE LIMITED under the provisions of the Companies Act, 1956. That, the Applicant Company is presently having its Registered Office situated at # Dhandari Kalan, Ludhiana PB 141014 IN. Hence, the matter falls under the jurisdiction of Hon'ble NCLT, Chandigarh. PAN of Applicant Company is AAFCM8083M and the correspondence email id of the Company is info@muskaanpower.com.

2.1.2 The Applicant company has been incorporated with the following Main Objects:-

i)To carry on the business of manufacturers, assemblers, traders, importers & exporters, fabricators of high tension and low tension transformers of all types and designs, voltages and wattages, alternators of all voltages and capacities, high voltages and capacities, high voltage electrical porcelain, bushing and insulation materials, electric switchgear, regulators, battery chargers, battery eliminators, voltage testing sets, voltage stabilizers, invertors, power generators, conductors, enamel wires, cotton/paper covered conductors, fittings, switches and distribution boards and other articles, all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators , lamps, meter, engines, dynamos batteries and all other kinds of allied goods.

2.1.3 The Details of Directors of the Applicant Company :-

Sr . N o	DIN No	Full name	Present residential Address	Designati on	Date of Appointme nt
1	014897 55	Ravi Mahaja n	#H.NO. 380C, Phase 1, Urban Estate, Focal Point ,Ludhiana 141001	Director	17/11/200 8
2	014899 90	Neeraj Mahaja n	H.NO. 380C, Phase 1, Urban Estate, Focal Point ,Ludhiana 141001	Director	17/11/200 8
3	075642 40	Malkit Singh	#3272, Ward No.11,Kuliawal,Jamalpur,AwanaLud hiana 141010 PB ,IN	Director	10/01/201 7

2.1.4 The shares of Applicant Company are not listed on any stock exchange in India.

2.1.5 Applicant Company has not changed its Registered Office in the last five years.

2.1.6 Applicant Company has not changed its Objects in the last five years.

2.1.7 The Share Capital Structure of the Applicant Company as of 31st March 2021 is as follows:

PARTICULARS	AMOUNT (in Rs.)
Authorised Share Capital	
35,00,000 Equity Shares of Face Value Rs. 10/- each	3,50,00,000/-
Issued, Subscribed, and Paid-up Capital	
28,72,500 Equity Shares of Face Value Rs. 10/- each	2,87,25,000/-
Total Paid-up Share Capital	2,87,25,000/-

2.1.8 The details of the Equity Shareholders of the Applicant Company

S.NO.	NAME OF EQUITY SHAREHOLDERS	ADDRESS
1	RAVI MAHAJAN	MuradPura, Dhuri Lines, Ludhiana
2	NEERAJ MAHAJAN	MuradPura, Dhuri Lines, Ludhiana
3	KAMLA GUPTA	#131, Sector 8A, Chandigarh
4	RUCHI MAHAJAN	968, Gali No. 6, MuradPura, Dhuri Lines, Ludhiana
5	ASHU MAHAJAN	968, Gali No. 6, MuradPura, Dhuri Lines, Ludhiana
6	RAVI MAHAJAN (HUF)	MuradPura, Dhuri Lines, Ludhiana
7	NEERAJ MAHAJAN (HUF)	MuradPura, Dhuri Lines, Ludhiana

2.1.9 The Scheme has been approved unanimously by the Equity Shareholders of the Applicant Company on 2ND November 2020. Details of consent of Equity Shareholders are as under:

S. NO.	NAME OF DIRECTOR	CONSENT(FAVOUR/AGAINST/ABSTAIN FROM VOTING)
1	RAVI MAHAJAN	FAVOUR
2	NEERAJ MAHAJAN	FAVOUR
3	KAMLA GUPTA	FAVOUR
4	RUCHI MAHAJAN	FAVOUR
5	ASHU MAHAJAN	FAVOUR
6	RAVI MAHAJAN (HUF)	FAVOUR
7	NEERAJ MAHAJAN (HUF)	FAVOUR

3. RATIONALE

3.1 The business of the Company has potential for sustainable and profitable growth and is capable of attracting investors and strategic partners. The dip in turnover was largely due to liquidity crunch. The company too fell behind timelines in execution of major orders where usance LC's are already in hand which further mounted the debt burden of the Company.

3.2 In view of the above, the promoters of the Company have devised a two-fold restructuring and reorganization scheme- (i) Corporate restructuring and reorganization of the Company; and (ii) restructuring scheme whereby the debt obligations owed by the Company to its creditors are proposed to be restructured/refinanced and the defaults on the part of the Company are proposed to be regularized.

3.3. The Scheme will be in the best interest of shareholders, creditors, employees and other Stakeholders of the Company, and has been filed pursuant to the authorities granted by the Board of the Company.

4. Definitions:

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings as set out herein below:

4.1 “Act” means the Companies Act, 2013, or, any Statutory modification(s), or re-
thereof for the time being in force, rules , regulations, orders or any statutory
modification or re-enactment or amendment(s) thereof;

4.2 “Appointed date” means Or such other date as may be decided by the Company,
and is the date with effect from which the scheme shall take effect.

4.3 “Company” means “ Muskaan Power Infrastructure Limited”, a private Company
incorporated under the provision of Companies Act 1956 having its registered office at
Sua Road, Industrial Area C, DhandariKalan, Ludhiana- 141014, Punjab, India.

4.4 “Court” means National Company Law Tribunal, Chandigarh

4.5 “Debt” means a liability or obligation In respect of a claim which is due from any
person and includes a financial debt and operational debt;

4.6 “Effective Date” means the last of the dates on which the certified or authenticated
copies of the order of the National Company Law Tribunal sanctioning the scheme
are filed with the Registrar of Companies. Any references in this scheme to the date
of “coming into effect of this scheme” or “effectiveness of this scheme” or “
scheme taking effect” shall mean the effective date.

4.7 “Equity Capital” means 28,72,500 Equity Shares of Rs. 10 /- each, fully paid up,
issued by the Company.

4.8 “Equity shareholders” means shareholders holding Equity Shares of Rs. 10 /- each,
fully paid up, issued by the Company.

4.9 “Financial Creditors” means any person or instituteto whom financial debt is owed
and includes the person to whom such debt has been legally transferred or
assigned.

4.10 “Governmental Authorities” means any applicable Central, State or Local
Government, Legislative Body, Regulatory or Administrative Authority, Agency or
Commission or any Court, Tribunal, Board, Bureau, Instrumentality, thereof or

arbitration or Arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Competition Commission of India and National Company Law Tribunal.

4.11 “Operational Creditors” means any person or institute to whom an operational debt is owed and includes the person to whom such debt has been legally transferred or assigned.

4.12 “Registrar of Companies” means the Registrar of Companies, Chandigarh

4.13 “Scheme” means this Scheme of Amalgamation or Compromise in its present form, including the Schedules, as amended or modified in accordance with the provisions hereof;

5. ACCOUNTING TREATMENT

The accounting treatment shall be in accordance with the applicable Indian Accounting Standard and other generally accepted accounting principles.

6. PAYMENTS PROPOSED TO CLASS OF CREDITORS VIS-A-VIS THEIR CLAIMS

(Amount In Crore)

S. No.	Stakeholders	Book Liability 28.07.2017	Claims admitted as on CIRP date	Claims Admitted as on Liquidation Commencement date	Payment Proposed	% offered out of claim liability as on CIRP date apart from future interest payable	Interest
A.	Secured Financial Creditor						
1	State Bank of India	18.4	19.36	24.82	19.36***	100	3.21

2	Reliance Commercial Finance Limited	1.44	1.81	2.3	1.44	79.56	0.37
3	PNB Housing Finance Limited	2.47	3.21	2.99	3.21*	100	0
4	Deewan Housing Finance Corp Ltd	0.6	0.61	0.77	0.6	98.36	0.15
5	Kotak Mahindra Prime Limited	0.08	0.1	0.13	0.08	80	0.02
6	ICICI Bank Ltd	0.06	0.1	0.13	0.06	60	0.02
7	IDFC First Bank Ltd (Formerly known as Capital First Limited)	0.16	0.17	0.15	0.16	94.11	0.041
8	ReligareFinvest Limited	0.3	0.32	0.46	0.3	93.75	0.077
9	Sunrise	1.19	1.26	1.51	1.19	94.44	0.31
10	Deustsche Bank	0.16			0.16	Claim not received	0.04
11	HDFC Bank Ltd	0.06			0.06	Claim not received	0.02
12	Bajaj Finance Ltd	0.09		0.12	0.09	Claim not received	0.024
13	Indusind Bank	0.05			0.05	Claim not received	0.01
14	TCFS	0.01			0.01	Claim not received	0.0024
	Total (A)	25.07	26.94	33.38	26.77		4.30
	B. Unsecured Financial Creditor						
1	Directors	1.33	-	-	-	-	-
2	Others	0.26	-	-	-	-	-
	Total (B)	1.59	-	-	-	-	-
	C. Operational Creditors						

1	Workers- Claim filed						
a.	Workmen (24 months preceding CIRP date)	0.04			0.04	100	
2	Employees- Claims not filed						
a.	Employees- Directors	0.042	-	-	-	-	
3	Operational Creditors- Suppliers	1.82			0.18	10%	
	Total (C)	2.27			0.22		
	Operational Creditors- Govt dues (24 months preceding CIRP date)- PF, ESI, VAT, D. GST						
1	Operational Creditors- Govt dues (24 months preceding CIRP date)- PF, ESI, VAT, GST	0.52			0.52	100	
2	Operational Creditors- Govt dues (beyond 24 months preceding CIRP date)						
a	Income tax payable 2013-14	0.68			0.68	100	
b	Income tax payable 2014-15	0.08			0.08	100	
	Total (D)	1.28			1.28	100	
	Grand Total (A+B+C+D)	30.22	26.94	33.38	28.27**	100	4.30

*To be adjusted by way of sale of Immovable property (IP) mortgaged with PNB Housing Finance Limited- IP will be sold by the lender only. Advance of 0.90 cr standing in books of CD in respect of this IP will be written off.

**Includes payment of wages and statutory dues though respective claims have not been received. Further dues of FCs where claims have not been received shall also be paid.

Total Proposed Payment	Rs. 19.36 cr
Less:	
1. Amount proposed to be paid through sale of four IPs (non core assets) in a time frame of 12 months from the effective date (The promoters undertake that in case of a shortfall in realization amount of securities, they shall meet the deficit from their own sources)	Rs. 1.60cr
2. SBI shall adjust FDR in its outstanding loan amount	Rs. 0.40 cr (approx)
Balance due (Unsustainable portion of debt to be repaid in accordance with the Scheme)	Rs. 17.36 cr

For Financial Creditors, the settlement amount shall be paid as under:

1. 100% amount shall be payable in equal quarter-wise installments alongwith interest @ 9% p.a. for a period of four years beginning from the end of 12 months from the effective date.
2. Any amount paid to Secured Creditors/s after the cutoff date and before the effective date shall stand adjusted against and /or reduced from the settlement amount payable as per the scheme on coming into effect of this scheme.

For Operational Creditors, the settlement amount shall be paid as under:

1. Workmen: The dues of Workmen as on the cut off date shall be paid in full within a period of one year from the effective date.
2. Trade Creditors: The dues of Operational Creditors- Trade creditors shall be paid @ 10% of the outstanding amount as on cut off date in full and final settlement of their entire dues on coming into effect of this scheme. It shall be payable in equal quarter-wise installments alongwith interest @ 9% p.a. for a period of four years beginning from the end of 12 months from the effective date.

3. Govt dues: The dues of Operational Creditors- Govt dues shall be paid in full as on the cut off date. It shall be payable in equal quarter-wise installments alongwith interest @ 9% p.a. for a period of four years beginning from the end of 12 months from the effective date.

For the purpose of this scheme- Effective date means the last of the dates on which the certified or authenticated copies of the order of National Company Law Tribunal sanctioning the scheme are filed with the Registrar of Companies. Any reference to this scheme to the date of “coming into effect of this scheme” or “effectiveness of this scheme” or “scheme taking effect” shall mean the effective date.

Additional points:

a. CIRP Cost and Liquidation Cost

In addition to the amount proposed to the stakeholders in the Scheme, the Promoter shall pay the unpaid fee and expenses of the Resolution Professional/ Liquidator from the operations/running cash flow of the Corporate Debtor.

b. With regard to Trade Creditors-

The Promoter estimates that Liquidation value would not be sufficient to cover the amount owed to Secured Financial Creditors in full, hence the amount in the nature of liquidation value owed to operational creditors (other than workers) in terms of section 30(2) and 53 of IBC,2016 is expected to be “Nil”. However the Promoter proposes to make a payment of 10% of the outstanding amount as on cut off date in full and final settlement of their entire dues under this Scheme towards the total operational debt and upon such payment, the liability of the corporate debtor towards operational creditors shall stand settled in full including whether any claims filed or not, whether admitted or not, whether asserted or not and whether or not set out in audited balance sheet or present in the list of creditors or not, by approval of their Resolution Plan.

However, in an event, the operational creditors are entitled to some amounts in the nature of liquidation value, such amount shall be paid by resolution applicant to operational creditors (in pro-rata manner) and in priority to any financial creditor and shall be adjusted from the amount offered to Secured Financial creditors in pro rata manner.

c. Rational behind Proposal of Operational creditor

As per section 53 of IBC, Operational creditor can be paid only the balance amount available after setting off the secured financial creditors, workers and employees. It is estimated that there is no liquidation value available to operational creditors in view of large amount of outstanding liabilities of corporate debtor.

However, in the event operational creditors are entitled to some amount in the nature of liquidation value in terms of section 30(2) and section 53 of IBC, such amount shall be paid in full and in priority to any financial creditors. However, the additional amount, if any, shall be adjusted from the pay offs of financial creditors.

d. Regarding settlement of Debt whether financial or operational

All dues including claims or demands made by or obligations owed or payable to any actual or potential creditor of the corporate debtor or in connection with any debt of corporate debtor, whether admitted or not, due or contingent, asserted or un-asserted, crystallized or un-crystallized, known or unknown, disputed or undisputed, present or future, whether or not set in provisional /audited financial statement or List of creditors, in relation to any period prior to approval date or arising on account of the Applicant shall stand permanently extinguished pursuant to order of adjudicating authority approving the scheme.

e. Monitoring Committee

The Liquidator shall be appointed as Monitoring Professional at a monthly remuneration of Rs. 50000/-. Fees of Monitoring Professional shall be borne by the Applicant. The Tenor of the Monitoring Professional will be termed as complete once the Monitoring Professional has completed all acts required to be done as envisaged under the Scheme of Compromise.

7. LEGAL PROCEEDINGS

7.1 On and from the effective date, the Creditors shall withdraw all the legal proceedings (if any) instituted by them in relation to recovery of the amounts due and payable by the Company.

8. SEVERABILITY AND INCONSISTENCY

8.1 If any part of the scheme is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the scheme and this scheme shall not be affected thereby, unless the deletion of such part shall cause this scheme to be materially adverse to any party, in which case the parties shall attempt to bring out a modification in this scheme, as will best preserve for the parties, the benefits and obligations of this scheme, including but not limited to such part.

9. MODIFICATIONS OR AMENDMENT TO THE SCHEME

The Company through its promoter may assent to any modifications/ amendments to the scheme or to any conditions or limitations that the NCLT and /or any other authority may deem fit to direct or impose or which may be considered otherwise necessary, desirable or appropriate by them.

10. OPERATIVE DATE OF THE SCHEME

The scheme although operative from the Appointed date, shall become effective from the effective date.

11. THE FEATURES SET OUT ABOVE ARE ONLY THE SALIENT FEATURES OF THE SCHEME OF COMPROMISE. YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME OF COMPROMISE TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

12. Submissions, Approvals and other information, a summary of the Valuation Report, etc.

12.1. Approval of the Equity Shareholders

S.NO	NAME OF EQUITY SHAREHOLDERS	DATE ON WHICH SCHEME WAS APPROVED
1	RAVI MAHAJAN	02.11.2020

2	NEERAJ MAHAJAN	02.11.2020
3	KAMLA GUPTA	02.11.2020
4	RUCHI MAHAJAN	02.11.2020
5	ASHU MAHAJAN	02.11.2020
6	RAVI MAHAJAN (HUF)	02.11.2020
7	NEERAJ MAHAJAN (HUF)	02.11.2020

12.2A copy of the Valuation Report is also enclosed as **Annexure-2**

12.3 Being MSME, no KMP is required to be appointed in Applicant Company.

13GENERAL

13.1 .To the best of knowledge, there is no winding up petition pending before any High court of Tribunal and there is no investigation or proceedings if any is pending against the Applicant Company in question.

13.2 The Scheme provides for capital or debt restructuring or any compromises or arrangement with the creditors of the Applicant Company and Shareholders does not have any objection with respect to the same.

13.3 It is confirmed that the copy of the Scheme has been approved by the Equity Shareholders.

13.4In compliance with the requirements of section 230(5) of the Companies Act,2013read with Rule 8 of the Companies(Compromises, Arrangements, and Amalgamation)Rules,2016, notice in the prescribed form seeking approvals, sanction's or no objections shall be served to the concerned regulatory and government authorities.

13.5 The following documents will be open for inspection at the Registered Office of the Liquidator between 10.00 am to 4.00 pm on all working days, except Saturdays, Sundays, and Public Holidays, up to 1 (one) day before the date of the meeting:

13.5.1 Copy of the Application No. IA No. 962 Of 2020 in CP(IB) no. 39/Chd/Pb/2017

13.5.2 Copy of the Order dated 09.02.2023 of the Hon'ble National Company Law Tribunal,
Chandigarh Bench passed in the above Application;

13.5.3 Copy of the Memorandum and Articles of Association of the Applicant Company;

13.5.4 Latest Audited Financial Statements of Applicant Company for the period ended
31.03.2021.

13.5.5 Copy of Scheme of Compromise/ Arrangement, also attached with this notice as
Annexure A

13.5.6 Certificate issued by the Auditors of the Applicant Company to the effect that the
accounting treatment, if any proposed in the Scheme conforms with the Accounting
Standards prescribed under Section 133 of the Companies Act, 2013.

13.5.7 Copy of Valuation report in respect of Shares & the property and all assets, tangible
and intangible, movable and immovable property of the Company.

14. Please Take note that since the meeting is proposed to be held through Video
Conferencing, option of attending meeting through proxy is not applicable/available.

15. Facility of remote-e voting will be available during the prescribed period before the
meeting as provided in the notice of the meeting, e-voting system will also be
available during the meeting. Instructions for attending the meeting through e voting
system are given in the notice.

Sd/-
Jalesh Kumar Grover
Liquidator of

Muskaan Power Infrastructure Limited
Regn No IBBI/IPA-001/IP-P00200/2017-2018/10390)

Email: For Correspondence -mpil@ducturus.com

Email: Regd. With IBBI -jk.grover27@gmail.com

Mob:9501081808

Registered Office of the Liquidator: SCO 818, 1st Floor, Sector 13, Chandigarh 160101

SCHEME OF COMPROMISE/ARRANGEMENT

BETWEEN

MUSKAAN POWER INFRASTRUCTURE LIMITED

AND

ITS PROMOTERS AND CREDITORS

PREAMBLE

This Composite Scheme of Compromise or Arrangement hereinafter referred to as “the Scheme” is presented under provisions of Section 230 to Section 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 (the “Act”), if any, for compromise by the Specified Creditors (as defined hereinafter) in the manner provided for herein and as envisaged in the Scheme. In addition, this composite scheme of arrangement or compromise also provides for various other matters consequential or otherwise integrally connected herewith.

PART I

INTRODUCTION

a. Muskaan Power Infrastructure Limited (herein after referred to as “**the Company**”), was established in 2003 as a proprietorship concern by Sh. Ravi Mahajan. The sole proprietorship concern of Sh. Ravi Mahajan has been takeover by a newly incorporated Limited Company (CIN U31102PB2008PLC032418) promoted by Sh. Neeraj Mahajan & Sh. Ravi Mahajan and all assets and liabilities of erstwhile firm has been taken over by M/s Muskaan Power Infrastructure Limited, Ludhiana w.e.f. 17.11.2008. The Company is engaged in Manufacturing of Distribution Transformers, Automatic Voltage Controllers, Power Transformers, Corrugated type Transformer, Package Substations, Dry Type Transformers, High Tension Transformers, Plating Anodizing Rectifiers, Compact Substations, Ultra Isolation Furnace Transformers, Servo Controlled Voltage Stabilizers, Variable Transformers, Cast Resin Transformer, Pole Mounted Transformer, Furnace Transformers, Transformer With OLTC Arrangement, Variable Voltage Transformers, Industrial Transformers, HT Transformer, Isolation Transformers, Electrical Power Transformers, Rectifier Transformer, Three Phase

Transformer, Single Phase Isolation Transformer, Ventilated Transformers, Voltage Transformers Distribution & Power Transformers, OLTC Transformer, HT Stabilizers, DC Rectifiers Transformers, Oil- Cooled Transformers, Oil Immersed Transformers, Unitized Substations, Mobile Substation Transformers under Muskaan's Brand. Major clients of the company are Siemens, ABB, L&T, Bharti-Wal-Mart, Pepsico, Cairns Energy, Aggreko Energy Rental , Alstom India, Trident Group, HPCL etc. The company is also exporting its wide range of transformers to major countries like Liberia, Rwanda, Nigeria, Kenya, Tanzania, Afghanistan, Kuwait, Guinea, Saudi Arabia, Ethiopia, Malta etc.

- b. The Company has recorded total revenue of Rs. 95.57 cr in Financial Year 2014-15 and Rs. 89.15 cr in Financial Year 2015-16. However it faced liquidity crunch as it's working capital was stucked up in export as well as domestic receivables due to overall economic slowdown and liquidity sluggishness in the market as a result of Demonetization which was an economic chaos that caused a significant slowdown in corporate spending and pegged the growth in the fourth quarter FY17 and first quarter FY 18 for the manufacturing sector in negative. The government had approved budgets of Rs. 110,000 crore for various schemes like Deen Dayal Upadhyaya Gram

Jyoti Yojana, Integrated Power Development Scheme etc but most of the State Electricity Boards had not started releasing orders to contractors till mid of FY 17-18. The financial problems further aggravated as a result of GST rollout where businesses had stopped or sharply cut back production of goods in May-June ahead of the GST rollout on July 1, 2017.

As a result of the above stated reasons, the company suffered huge liquidity constraint where the company was unable to bid for new orders and this resulted in accumulation of the finance costs. The turnover of the company reduced to Rs. 76.36 cr for Financial Year 2016-17 and further Rs. 3.17 cr for Financial Year 2017-18. The dip in turnover was largely due to the reasons enumerated above.

- c. As on 27-8-2017, CIRP date, the company is in default of dues to financial creditors of Rs. 28.53 crore comprising of State Bank of India - Rs. 19.36 cr, Reliance Capital Ltd. – Rs. 1.81 cr, Sunrise 14 A/S - 1.26 cr, PNB Housing Finance Ltd. – Rs 3.21cr, Kotak Mahindra Prime – Rs 0.10 cr, Religare Capital – Rs 0.32 cr, ICICI Bank – Rs 0.10 cr and DHFL – Rs 0.61 cr, Capital First – Rs 0.17 cr and further unsecured loans of Rs. 1.59 cr. The company is also in default of dues to operational creditors in respect of goods, services, salaries and taxies for Rs. 3.56 cr, comprising of dues to Trade Creditors – Rs. 1.82 cr, Government Taxes – Rs. 1.28 crore,

Employee Dues & Others – Rs.0.46 crore. On the other hand, Rs 11.50 cr is stucked up in inventories, Rs. 3.37 cr in receivables and more than Rs 12.46 cr in advances, Fixed Assets, capital work In progress & other assets.

- d. The promoters have already submitted the resolution plan in COC but the same was declined by COC for various reasons in April 2018.
- e. The company has wealth of experience in manufacturing of various kinds of transformers. The promoters are in discussion with a number of potential partners who are willing to provide Working Capital and join the company as execution partner's. However for bringing in a partner, a wholesome resolution of the liabilities in default shall be required in a time bound manner.
- f. Meanwhile an Application bearing No CP (IB) NO. 39/CHD/PB/2017 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) with respect to Muskaan Power Infrastructure Limited (the company herein) was filed, owing to default in settling the dues of Creditors. The Hon'ble NCLT, Chandigarh Bench vide its order dated 28.07.2017, admitted the aforementioned Petition and declared moratorium in terms of Section 14 of the Insolvency and Bankruptcy Code. Subsequently, the Resolution

Professional filed an Application bearing No CA No. 137/2018 application under Section 33 of the Code for passing an order requiring M/s. Muskaan Power Infrastructure Limited to be liquidated in the manner as laid down in the Code and issuing public announcement stating that the corporate debtor is in liquidation and sending the order to the authority with whom the corporate debtor is registered. The Hon'ble NCLT, Chandigarh Bench vide its order dated 11.12.2018 initiated the Liquidation process of the Company

- g. That the promoters of the Company propose to settle the dues of the Company through this instant Scheme.

PART II
PRELIMINARY

I. DEFINITIONS:

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:-
 - 1.1 “**Act**” means the Companies Act, 2013, or any statutory modification or reenactment thereof for the time being in force, rules, regulations, orders, or an statutory modification or re-enactment or amendments thereof;
 - 1.2 “**Appointed Date**” means _____ or such other date as may be decided by the Company, and is the date with effect from which the Scheme shall take effect;
 - 1.3 “**Company**” means “Muskaan Power Infrastructure Limited”, a private company incorporated under provisions of the Companies Act, 1956 having its registered office at Sua Road, Industrial Area C, Dhandari Kalan, Ludhiana- 141014, Punjab, India.
 - 1.4 “**Court**” means the National Company Law Tribunal , Chandigarh
 - 1.5 “**Cut Off date**” means _____
 - 1.6 “**Debt**” means a liability or obligation in respect of a claim which is due form any person and includes a financial debt and operational debt.

- 1.7 "**Effective Date**" means the last of the dates on which the certified or authenticated copies of the order of the National Company Law Tribunal sanctioning the Scheme are filed with the Registrar of Companies. Any references in this Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**Scheme taking effect**" shall mean the Effective Date;
- 1.8 "**Equity Capital**" means 28,72,500 Equity Shares of Rs. 10/- each, fully paid up, issued by the Company.
- 1.9 "**Equity Shareholders**" means shareholder holding Equity Shares of Rs 10/- each, fully paid up issued by the Company.
- 1.10 "**Financial Creditors**" means any person or institute to whom financial debt is owed and includes the person to whom such debt has been legally transferred or assigned.
- 1.11 "**Governmental Authority**" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange of India, Stock Exchanges, Registrar of Companies, competition Commission of India and National Company Law Tribunal;.

1.12 “**Operational Creditors**” means any person or institute to whom an operational debt is owed and includes the person to whom such debt has been legally transferred or assigned.

1.13 "**Registrar of Companies**" means the Registrar of Companies, Chandigarh.

1.14 "**Scheme**" means this Scheme of Arrangement or Compromise in its present form, including the schedules, as amended or modified in accordance with the provisions hereof;

II. AUTHORISED AND PAID UP SHARE CAPITAL

The details of authorised and paid up Share Capital as on the Cut off Date are as under:-

Particulars	In INR.
Authorised Share Capital	3,50,00,000
Paid up Share Capital	2,87,25,000

PART III

RATIONALE

- a. The Business of the Company has potential for sustainable and profitable growth and is capable of attracting investors and strategic partners. The dip in turnover was largely due to liquidity crunch for the reasons already explained above. The company too fell behind timelines in execution of major orders where usance LC's are already in hand which further mounted the debt burden of the company.

- b. In view of the above, the promoters of the Company have devised a two-fold restructuring and reorganisation scheme – (i) corporate restructuring and reorganisation of inter alia the Company; and (ii) restructuring scheme whereby the debt obligations owed by the Company to its creditors are proposed to be restructured/refinanced and the defaults on the part of the Company are proposed to be regularized.

- c. The Scheme will be in the best interest of shareholders, creditors, employees and other stakeholders of the Company, and has been filed pursuant to the authority granted by the Board of the Company vide its resolution dated _____.

PART IV

SALIENT FEATURES OF THE SCHEME

The salient features of the scheme are as follows:

- a. The Company proposes to repay part of the dues to its Financial Creditors with the aim to restructure its account in the books of its Financial Creditors;
- b. Revised repayment schedule and revised rates of interest on all borrowings at 9% pa till the final repayment date;
- c. The Company proposed to sell four IPs (non core assets) having a market value of approx Rs.1.50 cr in a time frame of 12 months from the effective date and the amount shall be used to reduce the outstanding balance of State Bank of India since the same are mortgaged to State Bank of India. The promoters undertake that in case of a shortfall in realization amount of securities, they shall meet the deficit from their own sources.

PART V

ARRANGEMENT OR COMPROMISE WITH THE CREDITORS OF THE PETITIONER COMPANY

This Scheme provides for arrangement or compromise with all class of Creditors, without any further act, application or deed in full and final settlement of the dues including interest in the manner provided hereinafter.

The compromise proposed by the company for the Secured Financial Creditors, Unsecured Financial Creditors, Workmen Due, Operational Creditors-Trade Payables, Operational Creditors- Government Dues is enumerated in the table below :

Summary of payments proposed to Class of creditors vis-a-vis their claims Rs. crore

S.No	Stakeholders	Book Liability 28.07.17	Claims Admitted (As on CIRP date)	Claims Admitted (As on Liquidation Commencement)	Payment proposed	% offered out of claim liability as on CIRP date apart from	Interest
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				date)		future interest payable	
A.	Secured Financial Creditors						
1	SBI	18.40	19.36	24.82	19.36 ***	100.00	3.21
2	Reliance Capital	1.44	1.81	2.30	1.44	79.56	0.37
3	PNBHFL	2.47	3.21	2.99	3.21*	100.00	0.00
4	DHLF	0.60	0.61	0.77	0.60	98.36	0.15
5	Kotak	0.08	0.10	0.13	0.08	80.00	0.02
6	ICICI	0.06	0.10	0.13	0.06	60.00	0.02
7	Capital First	0.16	0.17	0.15	0.16	94.11	0.041
8	Religare	0.30	0.32	0.46	0.30	93.75	0.077
9	Sunrise 14	1.19	1.26	1.51	1.19	94.44	0.31
10	Deutsche Bank	0.16			0.16	Claim not received	0.04
11	HDFC	0.06			0.06	Claim not received	0.02
12	BAJAJ	0.09		0.12	0.09	Claim not received	0.024
13	Indusind Bank	0.05			0.05	Claim not	0.01

						received	
14	TCFS	0.01			0.01	Claim not received	0.0024
	Total (A)	25.07	26.94	33.38	26.77		4.30
B.	Unsecured Financial Creditors	1.59	-	-	-	-	
	Directors	1.33	-	-	-	-	
	Others	0.26	-	-	-	-	
C.	Operational Creditors						
1	Workers -Claims Filed						
	a) Workmen (24 Months preceding CIRP date)	0.04	-	-	0.04	100	
2	Employees - Claims Not Filed						
	a) Employees - Directors	0.42	-	-	-	-	
	Total of Operational Creditors-Workers	0.46			0.04		
4	a) Operational Creditors-Suppliers	1.82	-	-	0.18	-	

	Total (C)	2.27	-	-	0.22	-	
D.	Operational Creditors- Govt Dues						
A	Operational Creditors- Govt Dues (24 Months preceding CIRP date)- PF ESI,VAT, GST	0.52			0.52	100	
B	Operational Creditors- Govt Dues (Beyond 24 Months preceding CIRP date)						
	Income Tax Payable 2013-14	0.68			0.68	100	
	Income Tax Payable 2014-15	0.08			0.08	100	
	Total	0.76	-	-	0.76	100	
	Total (D)	1.28	-	-	1.28	100	
	Grand Total (A+B+C+D)	30.22	26.94	33.38	28.27**	100	4.30

@In addition to this yearly interest of 0.45 cr will be paid on proposed CC component of Rs.5 cr.

*To be adjusted by way of sale of IP mortgaged with PNBHFL -IP will be sold by them only. Advance of 0.90 cr standing in the books of CD in respect of this IP will be written off.

**Includes payment of wages and statutory dues though respective claims have not been received. Further dues of FC's where claims have not been received, shall also be paid.

***Payment explained separately

a. FINANCIAL CREDITORS

The dues of the Financial Creditors shall be paid @ 100% of the outstanding amount of the principal (hereinafter referred to as the Settlement Amount) as on the Cut Off Date in full and final settlement of their entire dues on coming into effect of this Scheme.

The Settlement Amount shall be paid as under:

- i. 100% amount shall be payable in equal quarter-wise instalments alongwith interest @ 9% pa for a period of four years beginning from the end of 12 months from the Effective date.
- ii. Any amount paid to the Secured Creditor/s after the Cut off Date and before the Effective Date shall stand adjusted against and/or reduced from the Settlement Amount payable as per the Scheme on coming into effect of this Scheme.
- iii. The company proposes payment to State Bank of India towards its proposed payment of Rs 19.36 cr as under :

Total Proposed Payment	Rs 19.36 cr
Less :	
1. Amount proposed to be paid through sale Of four IP's (non core assets) in a time frame of 12 months from the effective date (The promoters undertake that in case of a shortfall in realization amount of securities, they shall meet the deficit from their own sources.)	Rs 1.50 Cr
2. SBI shall adjust FDR in its outstanding loan amount.	Rs 0.50 Cr (Approx.)
Balance Due (Unsustainable portion of debt to be repaid in accordance with this Scheme)	Rs 17.36 Cr

b. OPERATIONAL CREDITORS

- I. Workmen : The dues of Workmen as on the Cut off Date shall be paid in full within a period of 1 year from the effective date.
- II. Trade Creditors : The dues of Operational Creditors- Trade Creditors shall be paid @ 10% of the outstanding amount (hereinafter referred

to as the Settlement Amount) as on the Cut Off Date in full and final settlement of their entire dues on coming into effect of this Scheme. It shall be payable in equal quarter-wise instalments alongwith interest @ 9% pa for a period of four years beginning from the end of 12 months from the Effective date.

III. Govt Dues : : The dues of Operational Creditors- Govt Dues shall be paid in full as on the Cut Off Date. It shall be payable in equal quarter-wise instalments alongwith interest @ 9% pa for a period of four years beginning from the end of 12 months from the Effective date.

PART VI
OTHER TERMS AND CONDITIONS

a. LEGAL PROCEEDING

On and from the Effective Date, the Specified Creditors shall withdraw all the legal proceedings (if any) instituted by them in relation to recovery of the amounts due and payable by the Company.

b. SEVERABILITY AND INCONSISTENCIES

If any part of this Scheme is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

c. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Company through its Promoter may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.

d. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

Addendum to the Scheme of Compromise

A Scheme of Compromise or Arrangement was presented under the provisions of Section 230 to 232 of the Companies Act 2013 and other relevant provisions of the Act. The Scheme of Compromise as submitted by Mr. Ravi Mahajan has been approved by the Committee in its 6th meeting dated 05.09.2020.

In continuation of above , the Applicant herein submits an Addendum to the scheme. The Addendum be read as part and parcel of Compromise Scheme dated 01.07.2019.

1) CIRP Cost and Liquidation Cost

In addition to the amount proposed to the stakeholders in the Scheme, the Promoter shall pay the unpaid fee and expenses of the Resolution Professional/ Liquidator from the operations/running cash flow of the Corporate Debtor.

2) With regard to Trade Creditors-

The Promoter estimates that Liquidation value would not be sufficient to cover the amount owed to Secured Financial Creditors in full, hence the amount in the nature of liquidation value owed to operational creditors (other than workers) in terms of section 30(2) and 53 of IBC,2016 is expected to be "Nil". However the Promoter proposes to make a payment of 10% of the outstanding amount as on cut off date in full and final settlement of their entire dues under this Scheme towards the total operational debt and upon such payment, the liability of the corporate

debtor towards operational creditors shall stand settled in full including whether any claims filed or not, whether admitted or not, whether asserted or not and whether or not set out in audited balance sheet or present in the list of creditors or not, by approval of their Resolution Plan.

However, in event the operational creditors are entitled to some amounts in the nature of liquidation value, such amount shall be paid by resolution applicant to operational creditor (in pro-rata manner) and in priority to any financial creditor and shall be adjusted from the amount offered to Secured Financial creditors in pro rata manner.

Rational behind Proposal of Operational creditor

As per section 53 of IBC, Operational creditor can be paid only the balance amount available after setting off the secured financial creditors, workers and employees. It is estimated that there is no liquidation value available to operational creditors in view of large amount of outstanding liabilities of corporate debtor.

However, in the event operational creditors are entitled to some amount in the nature of liquidation value in terms of section 30(2) and section 53 of IBC, such amount shall be paid in full and in priority to any financial creditors.

3) Regarding settlement of Debt whether financial or operational

All dues including claims or demands made by or obligations owed or payable to any actual or potential creditor of the corporate debtor or in connection with any debt of corporate debtor, whether admitted or not, due or contingent, asserted or un-asserted, crystallized or un-crystallized, known or unknown, disputed or undisputed, present or future, whether

or not set in provisional /audited financial statement or List of creditors, in relation to any period prior to approval date or arising on account of the Applicant shall stand permanently extinguished pursuant to order of adjudicating authority approving the scheme.

4) Monitoring Committee

The Liquidator shall be appointed as Monitoring Professional at a monthly remuneration of Rs. 50000/-. Fees of Monitoring Professional shall be borne by the Applicant. The Tenor of the Monitoring Professional will be termed as complete once the Monitoring Professional has completed all acts required to be done as envisaged under the Scheme of Compromise.



Sign of Authorized Signatory

Name: Ravi Mahajan

Date: 05/11/2020

Place: Ludhiana

SACHIN GOEL

Registered Valuer - Land & Building (IBBI/RV/02/2018/10002)
Chartered Engineer, Registered Structural Engineer/Civil Engineer(Delhi)
Arbitrator, Fellow of ICA
Master of Science in Engineering (Civil) - University of Texas at Austin, Texas, USA
Bachelor of Technology (Civil) - Indian Institute of Technology, Delhi, INDIA

10A/7, Shakti Nagar, Delhi-110007, INDIA

sachinji@gmail.com
+91-9871151731

VALUATION REPORT

of

LAND & BUILDING

owned by

M/s MUSKAAN POWER INFRASTRUCTURE LTD

situated at

**(1) INDUSTRIAL AREA C, SUA ROAD, LUDHIANA,
PUNJAB; (2) MANOHAR NAGAR, LUDHIANA,
PUNJAB; (3) FLAT NO. 904, FLOOR 9, TOWER B2,
SPACE I TECH PARK, SECTOR 49, GURUGRAM,
HARYANA; (4) HOUSE NO. 380, URBAN ESTATE
PHASE I, DHANDARI KALAN, LUDHIANA, PUNJAB;
(5) A-10, THE IMPERIAL GOLF ESTATE, DISTRICT
LUDHIANA, PUNJAB**

11-Jul-2020

SACHIN GOEL

Registered Valuer

Land & Building

IBBI/RV/02/2018/10002

+91-9871151731

sachinji@gmail.com

SACHIN GOEL

Registered Valuer - Land & Building (IBBI/RV/02/2018/10002)
Chartered Engineer, Registered Structural Engineer/Civil Engineer(Delhi)
Arbitrator, Fellow of ICA
Master of Science In Engineering (Civil) - University of Texas at Austin, Texas, USA
Bachelor of Technology (Civil) - Indian Institute of Technology, Delhi, INDIA

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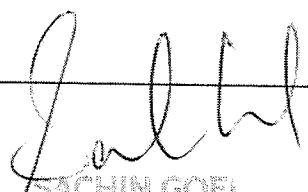
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TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS	3
PURPOSE & SCOPE OF VALUATION.....	3
ACKNOWLEDGEMENTS	3
ABOUT COMPANY	4
METHOD & APPROACH OF VALUATION (LAND & BUILDING)	4
VALUATION – LAND & BUILDING	6
VALUATION (LAND & BUILDING) – CONCLUSION	10
EXHIBITS, PICTURES & TABLES	11

EXECUTIVE SUMMARY

Company Name	M/s Muskaan Power Infrastructure Ltd
Company Type	Private Limited
Location	1) Industrial Area-C, Sua Road, Dhandari Kalan, Ludhiana, Punjab 2) Manohar Nagar, Tehsil East Ludhiana, District Ludhiana, Punjab 3) Flat No. 904, Floor 9, Tower B2, Spaze I Tech Park, Sector 49, Tehsil Gurugram, District Gurugram, Haryana 4) House No. 380, Urban Estate Phase I, Dhandari Kalan, Tehsil South Ludhiana, District Ludhiana, Punjab 5) A10, The Imperial Golf Estate, District Ludhiana, Punjab
Current Use	In Operation
Power Source	Power is being supplied by local Power Distribution Company
Water Source	Water is being sourced through the Borewell situated inside the premises
Date of Work Order	02-Jul-2020
Date of Inspection	08-Jul-2020
Date of Valuation	08-Jul-2020
Date of Receiving the Last Essential Documents	08-Jul-2020
Date of Report	11-Jul-2020
VRN Number	IOV/2020-21/216
Realisable Value (Land & Building)	INR 2,92,80,000/-


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ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS

The value(s) set forth in this Valuation Report is subject to the following Limiting Conditions:

- 1) No Responsibility is to be assumed for matters legal in nature, nor is any opinion of title rendered by this Report. A Valuation is linked to a purpose and time. Therefore, this valuation is only valid for purpose and conditions mentioned in the report.
- 2) This valuation is based on the information provided by the Client or the Client's Representative and has been assumed to be correct. The facts such as ownership, specifications and age have been taken from sources assumed to be correct. However, no responsibility is assumed in case false information and/or false documentation has been furnished to the Valuer.
- 3) The Valuer, by reasons of this Report, is not required to give testimony in Court, with reference to the Appraised Assets unless arrangements for such contingency have been previously agreed upon.
- 4) The physical condition of the assets under valuation was passed on visual observation on the Date of Inspection. No liability is assumed for the soundness of the asset before or after that date.
- 5) Possession of any copy of this Report does not carry with it the right of publication, nor may be used for any purpose by any one, except the addressee and the property owner without the prior written consent of the Valuer, and in any event, only may be revealed in its entirety.
- 6) Any special assumptions made have been mentioned elsewhere in the text of this Report.
- 7) The maximum aggregate liability to any involved parties arising from, or in relation to, this valuation report howsoever arising shall not in any circumstances exceed the professional fee payable to the undersigned Valuer for this Valuation.

PURPOSE & SCOPE OF VALUATION

The undersigned Valuer has been appointed by Mr Jalesh Kumar Grover, Liquidator for M/s Muskaan Power Infrastructure Limited (Regn No IBBI/IPA-001/IP-00200/2017-2018/10390) vide Appointment Letter dated 02-Jul-2020 for the purpose of assessment of Realisable Value of all Land & Building of M/s Muskaan Power Infrastructure Ltd located at:

- 6) Industrial Area-C, Sua Road, Dhandari Kalan, Ludhiana, Punjab
- 7) Manohar Nagar, Tehsil East Ludhiana, District Ludhiana, Punjab
- 8) Flat No. 904, Floor 9, Tower B2, Spaze I Tech Park, Sector 49, Tehsil Gurugram, District Gurugram, Haryana
- 9) House No. 380, Urban Estate Phase I, Dhandari Kalan, Tehsil South Ludhiana, District Ludhiana, Punjab
- 10) A10, The Imperial Golf Estate, District Ludhiana, Punjab

after taking into account the nature of the business, history of the company, economic outlook in general and of the specific industry, book value and the estimated realisable value of the assets along with goodwill or other intangible value etc if realisable.

ACKNOWLEDGEMENTS

We express our sincere thanks to the management of M/s Muskaan Power Infrastructure Ltd and the Liquidation team for providing all the information possible from their records and facilitating the physical verification of the complete land and building across the premises (during the visit on 08-Jul-2020) especially Mr. Deepak Singh.

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ABOUT COMPANY

M/s Muskaan Power Infrastructure Ltd (CIN: U31102PB2008PLC032418) was registered in Chandigarh as a non-Government Private Company on 17-Nov-2008 at the Address: Dhandari Kalan, Ludhiana-141014. It is not a listed company and its last Annual General Meeting was held on 30-Sep-2016. The Directors of the said company are: Mr Ravi Mahajan, Mr Neeraj Mahajan and Mr Malkit Singh.

METHOD & APPROACH OF VALUATION (LAND & BUILDING)

PREAMBLE

This report has been prepared in accordance with the regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

BASIS OF VALUATION

This valuation exercise included valuation of LAND & BUILDING assets based on the written or verbal information shared by the Company.

DEFINITION OF FAIR/MARKET VALUE

Indian Accounting Standard (Ind AS) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement is for a particular asset or liability. Therefore, when measuring fair value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following:

- a) The condition and location of the asset; and
- b) Restrictions, if any, on the sale or use of the asset.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

DEFINITION OF LIQUIDATION VALUE

As per IBC, 2016, liquidation value is defined as "the estimated realisable value of the assets of the corporate debtor if the corporate debtor were to be liquidated on the insolvency commencement date". Also, as per the definition provided in International Valuation Standards (IVS), "Liquidation Value" is defined as the amount that would be realized when an asset or group of assets are sold on 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".

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Liquidation value of assets also sometimes refers to - the amount at which individual assets comprising the enterprise or the entire assets of the enterprise could be sold under condition of liquidation to a willing buyer. A liquidation value is assigned to a business being sold in order to satisfy its creditors. Liquidation Value differs from Going-concern value primarily because an on-going operation has the ability to continue to earn profit, while a liquidated company/asset does not.

PECUNIARY INTEREST DECLARATION

The Valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard. The Valuer strictly follows the code of conduct of the Registered Valuer Organization of Insolvency & Bankruptcy Board of India.

ASSUMPTIONS & LIMITING CONDITIONS

During the course of this valuation exercise/process, the following limitations and assumptions were made, which require a special mention:

- 1) As a part of our general practice, we had shared a preliminary list of information and subsequent requests (verbal / in writing) for additional information required for this exercise to company. This report has been prepared based on the information (verbal / in writing) provided to us. The verification of the information in terms of the correctness, reliability, accuracy and completeness has been done to the extent possible only.
- 2) The analysis of this report is based on publicly available information, Industry Benchmark / Standards or our Professional Judgment, as the case may be, where the information has not been furnished by the company.
- 3) For the purpose of this exercise, we have assumed that the assets considered under this exercise are owned by the Company and has a clear and marketable title and is free from any legal and physical encumbrances, disputes, claims and other statutory liabilities and the requisite planning approvals from appropriate authorities has already been pursued.
- 4) This valuation is valid only for the purposes mentioned in this report; and neither intended nor valid to be used for any other purposes.
- 5) The valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Hence, there is no indisputable single value and we normally express our conclusion as falling within a likely range. Whilst we consider our conclusions to be both reasonable and defensible based on the information available to us, others may place a different value based on the same information.

VALUATION METHODOLOGIES

MARKET APPROACH

As per Ind AS 113: Appendix A, it is defined as a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities.



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INCOME APPROACH

It is defined as valuation techniques that convert future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about future amounts. The income approach is defined in the International Glossary of Business Valuation Terms as "A general way of determining a value indication of a business, business ownership interest, security or intangible asset using one or more methods that converts anticipated economic benefits into a present single amount." The development of a yield or discount rate should be influenced by the objective of the valuation. For example:

- a) If the objective of the valuation is to establish the value to a particular owner or potential owner based on their own investment criteria, the rate used may reflect their required rate of return or their weighted average cost of capital, and
- b) If the objective of the valuation is to establish the market value, the discount rate may be derived from observation of the returns implicit in the price paid for real property interests traded in the market between participants or from hypothetical participants' required rates or return. When a discount rate is based on an analysis of market transactions, valuers should also follow the guidance contained in IVS 105 Valuation Approaches and Methods.

COST APPROACH

The cost approach is a real estate valuation method that surmises that the price a buyer should pay for an asset should equal the cost to build an equivalent asset. It yields the most accurate market value when the asset is new.

VALUATION – LAND & BUILDING

This valuation is based on the information and other data provided by the Appointing Authority.

Respective Khasra Numbers (Annexure 1) near Sua Road, Industrial Area C, Village Kanganwal, Tehsil Sahnewal, District Ludhiana, Punjab

GPS Coordinates are 30.852653, 75.917319. Nearest Railway Station Ludhiana is 11 kms away. Nearest Airport Chandigarh International Airport is 103 kms away.

Land: Based on the information provided by the Client & visual inspection dated July 9th, 2020, the land component of subject property consists of TEN parcel(s) of land (bearing respective Khasra Number(s) as mentioned in Annexure 1), 7 of them adjoining each other to form ONE large parcel of land, measuring 3465.75 (305+503+299.5+400+500+508.25+950) sq yards. Other 3 parcel(s) of land (with total area of 400+500+265 = 1165 sq yards) are located on the same road, opposite to this main large parcel of land. Thus, the total area of the land in this location is 4630.75 sq yards. All of this land is free hold, the title deeds (photocopies only) of all the lands have been provided and the ownership of all these lands have been observed to be in the favor of M/s Muskaan Power Infrastructure Ltd and its Director, Mr Ravi Mahajan. All of these lands except 2 have been developed & are being used as a manufacturing area of transformers. The circle/collector rates of this land are

6



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Rs. 2,185/- per sqyd. On detailed physical enquiries from the local real estate brokers, it has been observed that this plot is currently commanding a premium in the range of 1.25 to 1.5 times the circle rates. Circle rates with 25% premium factor have been assumed as the minimum Realizable/Liquidation rates at which a transaction between a willing seller & a willing buyer is probably going to take place. The detailed breakup of land component and their respective liquidation values have been calculated using MARKET APPROACH in Annexure 1. It is observed that the land is not demarcated & if liquidated, will need physical demarcation on ground by the local competent authority.

Building: The detailed breakup of building component and their respective liquidation values have been calculated using COST APPROACH in Annexure 2. Further, Liquidation Value of such Building (as in present case) depends on the mode of liquidation. Clause 32 of IBBI Liquidation Regulations, 2016 lists 6 modes of liquidation i.e. (a) an asset on a standalone basis; (b) the asset in a slump sale; (c) a set of assets collectively; (d) the assets in parcels; (e) the corporate debtor as a going concern; or (f) the business(s) of the corporate debtor as a going concern. In my opinion, there cannot be and should not be a single value which may be achievable by all of the above modes. The Liquidation Value shall be maximum in case of (e) & (f), followed by (c) & (d), further followed by (a) & (b). Therefore, while calculating the liquidation values as per Annexure 2, Liquidation Value 1 corresponds to the liquidation mode of (e) & (f). Liquidation Value 2 corresponds to the liquidation mode of (c) & (d). Lastly, Liquidation Value 3 corresponds to the liquidation mode of (a) & (b). For the purpose of this valuation, keeping in mind the condition of the building, it has been assumed that the liquidation considering the general recession in manufacturing sector shall have to be achieved by the modes (a) or (b), thus rendering complete demolition of building structures.

Realisable Value of Land Component only, of this asset only, (in my opinion) is INR 1,26,47,736/-

Realisable Value of Building Component only, of this asset only, (in my opinion) is INR 39,89,513/-

Realisable Value of Land & Building Component, of this asset only, (in my opinion) is INR 1,66,37,249/-

Manohar Nagar, Tehsil East Ludhiana, District Ludhiana, Punjab

GPS Coordinates are 30.899675, 75.853889. Nearest Railway Station Ludhiana is 3 kms away. Nearest Airport Chandigarh International Airport is 107 kms away.

Based on the information provided by the Client & visual inspection dated July 9th, 2020, the land component of subject property consists of only One parcel of land (bearing respective Khasra Numbers), measuring 308 sq yards. This land is free hold, the title deed (photocopy only) has been provided and the ownership have been observed to be in the favor of M/s Muskaan Power Infrastructure Ltd and/or its Director(s). This land is being used as labour quarters. The circle/collector rates of this land are Rs. 5,985/- per sqyd. On detailed physical enquiries from the local real estate brokers, it has been observed that this plot is currently commanding a premium in the range of 1.25 to 1.5 times the circle rates. Circle rates with 25% premium factor have been assumed as the

7


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minimum Realizable/Liquidation rates at which a transaction between a willing seller & a willing buyer is probably going to take place. The detailed breakup of land component and their respective liquidation values have been calculated using MARKET APPROACH in Annexure 1. Similarly, the detailed breakup of building component along with brief description of the building(s) have been calculated using COST APPROACH in Annexure 2.

Realisable Value of Land Component only, of this asset only, (in my opinion) is INR 23,04,225/-

Realisable Value of Building Component only, of this asset only, (in my opinion) is INR 12,21,271/-

Realisable Value of Land & Building Component, of this asset only, (in my opinion) is INR 35,25,496/-

Flat No. 904, Floor 9, Tower B2, Spaze I Tech Park, Sector 49, Tehsil Gurugram, District Gurugram, Haryana

GPS Coordinates are 28.412517, 77.043865. Nearest Railway Station Gurugram is 10 kms away. Nearest Metro Station (connecting with Delhi Metro) Huda City Centre is 7 kms away. Nearest Airport Delhi International Airport is 21 kms away.

Based on the information provided by the Client & visual inspection dated July 8th, 2020, the land & building component of subject property consists of a ready to move in flat for commercial use in an office complex developed by M/s Spaze Towers Pvt Ltd. The office has been well furnished by M/s Muskaan Power Infrastructure Ltd for its own use but is not being used for many months now. The circle/collector rates of this flat (on the basis of super covered area) are Rs. 6,600/- per sqft. On detailed physical enquiries from the local real estate brokers, it has been observed that this plot is currently not commanding any premium over the circle/collector rate. Circle rates with 25% discount factor have been assumed as the minimum Realizable/Liquidation rates at which a transaction between a willing seller & a willing buyer is probably going to take place. The detailed breakup of land (&building) component and their respective liquidation values have been calculated using MARKET APPROACH in Annexure 1. Similarly, the detailed breakup of building (furnishing) component have been calculated using COST APPROACH in Annexure 2.

Realisable Value of Land Component only, of this asset only, (in my opinion) is INR 48,01,500/-

Realisable Value of Building Component only, of this asset only, (in my opinion) is INR 1,06,839/-

Realisable Value of Land & Building Component, of this asset only, (in my opinion) is INR 49,08,339/-

House No. 380, Urban Estate Phase I, Dhandari Kalan, Tehsil South Ludhiana, District Ludhiana, Punjab

GPS Coordinates are 30.891349, 75.913411. Nearest Railway Station Dhandari Kalan is 4 kms away. Nearest Airport Ludhiana Domestic Airport is 8 kms away, Chandigarh International Airport is 93 kms away.

Land: Based on the information provided by the Client & visual inspection dated July 9th, 2020, the land component of subject property consists of ONE parcel(s) of land (bearing respective Plot Number(s) as mentioned

8



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in Annexure 1), measuring 188 sq yards. All of this land is free hold, the title deed (photocopies only) have been provided and the ownership have been observed to be in the favor of Mr Neeraj Mahajan. This plot has been developed as a residential building and is being used by Directors of M/s Muskaan Power Infrastructure Ltd for their own use. The circle/collector rates of this land are Rs. 6,000/- per sqyd. On detailed physical enquiries from the local real estate brokers, it has been observed that this plot is currently commanding a premium in the range of 3 to 4 times the circle rates. Circle rates with 200% premium factor have been assumed as the minimum Realizable/Liquidation rates at which a transaction between a willing seller & a willing buyer is probably going to take place. The detailed breakup of land component and their respective liquidation values have been calculated using MARKET APPROACH in Annexure 1.

Building: The detailed breakup of building component and their respective liquidation values have been calculated using COST APPROACH in Annexure 2. Further, Liquidation Value of such Building (as in present case) depends on the mode of liquidation. Clause 32 of IBBI Liquidation Regulations, 2016 lists 6 modes of liquidation i.e. (a) an asset on a standalone basis; (b) the asset in a slump sale; (c) a set of assets collectively; (d) the assets in parcels; (e) the corporate debtor as a going concern; or (f) the business(s) of the corporate debtor as a going concern. In my opinion, there cannot be and should not be a single value which may be achievable by all of the above modes. The Liquidation Value shall be maximum in case of (e) & (f), followed by (c) & (d), further followed by (a) & (b). Therefore, while calculating the liquidation values as per Annexure 2, Liquidation Value 1 corresponds to the liquidation mode of (e) & (f). Liquidation Value 2 corresponds to the liquidation mode of (c) & (d). Lastly, Liquidation Value 3 corresponds to the liquidation mode of (a) & (b). For the purpose of this valuation, keeping in mind the condition of the building, it has been assumed that the liquidation considering the general recession in real estate sector shall have to be achieved by the modes (a) or (b), thus rendering complete demolition of building structures.

Realisable Value of Land Component only, of this asset only, (in my opinion) is INR 33,91,560/-

Realisable Value of Building Component only, of this asset only, (in my opinion) is INR 8,17,129/-

Realisable Value of Land & Building Component, of this asset only, (in my opinion) is INR 42,08,689/-

A10, The Imperial Golf Estate, District Ludhiana, Punjab

GPS Coordinates are 30.864413, 75.635158. Nearest Railway Station Mullanpur is 6 kms away. Nearest Airport Ludhiana Domestic Airport is 35 kms away, Chandigarh International Airport is 123 kms away.

Land: Based on the information provided by the Client & visual inspection dated July 9th, 2020, the land component of subject property consists of ONE parcel(s) of land (bearing respective Plot Number(s) as mentioned in Annexure 1), measuring 1923.71 sq yards. This plot is a part of private township being developed by a real estate builder by the name of M/s Emerald Lands (India) Pvt Ltd. There exists a tri-partite agreement between Builder, Bank and M/s Muskaan Power Infrastructure Ltd against the funds given by M/s MPIL to the Builder.

9



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However, the Builder has failed to achieve all of its project deadlines and has come under CIRP process. Without completion of the project, the Building cannot transfer the title of the land in which M/s MPIL has invested. Therefore, the liquidation value of land component has been taken as ZERO for the purpose of this valuation and on the valuation date.

Building: There is no existing building at the land allocated, thus the value of building component has been taken as ZERO.

VALUATION (LAND & BUILDING) – CONCLUSION

Hence, in my opinion, as on 08-Jul-2020,

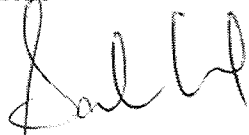
Total Realisable Value of Land & Building	= INR 2,92,79,774/-
	~ INR 2,92,80,000/-

Therefore, the **Realisable Value** of the Land and Building, of all the assets of M/s Muskaan Power Infrastructure Ltd (including that of Mr Ravi Mahajan & Mr Neeraj Mahajan), with the above detailed conditions and specifications; in my opinion; is **Rupees Two crore Ninety Two lakh Eighty thousand only**.

Certified Valuation Report

New Delhi, INDIA

11-Jul-2020



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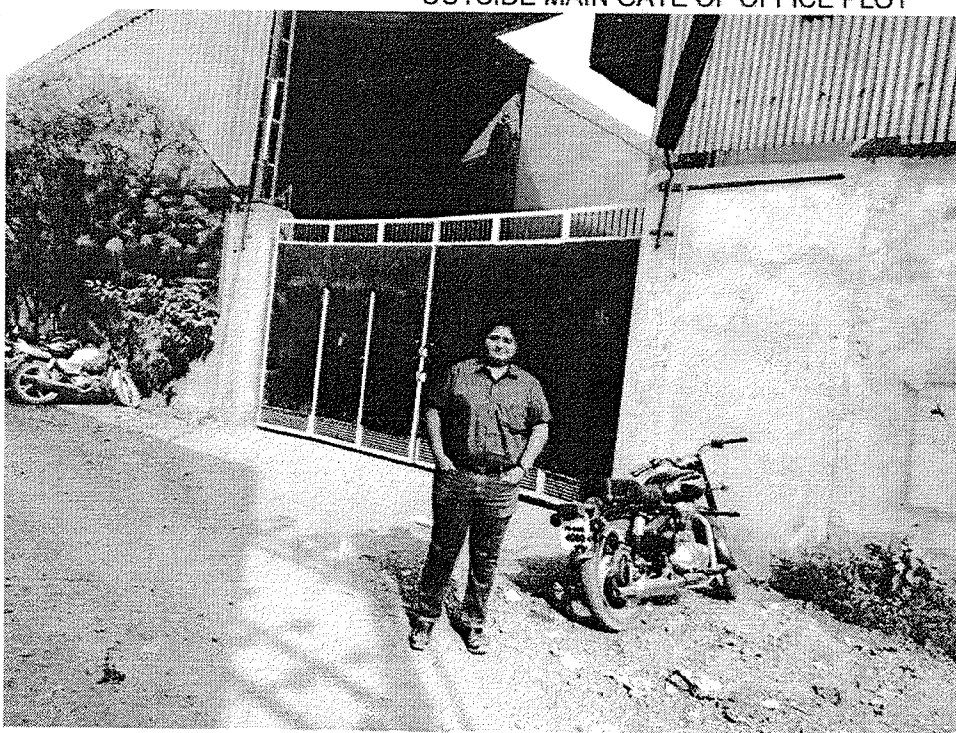
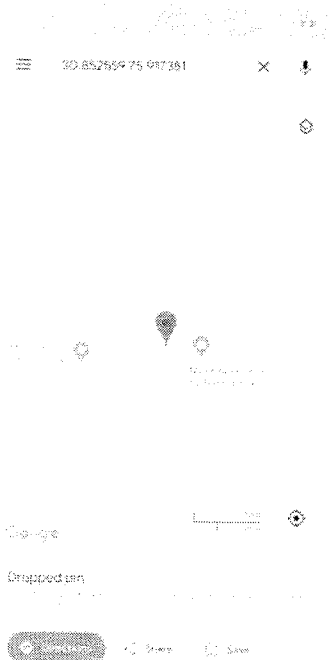
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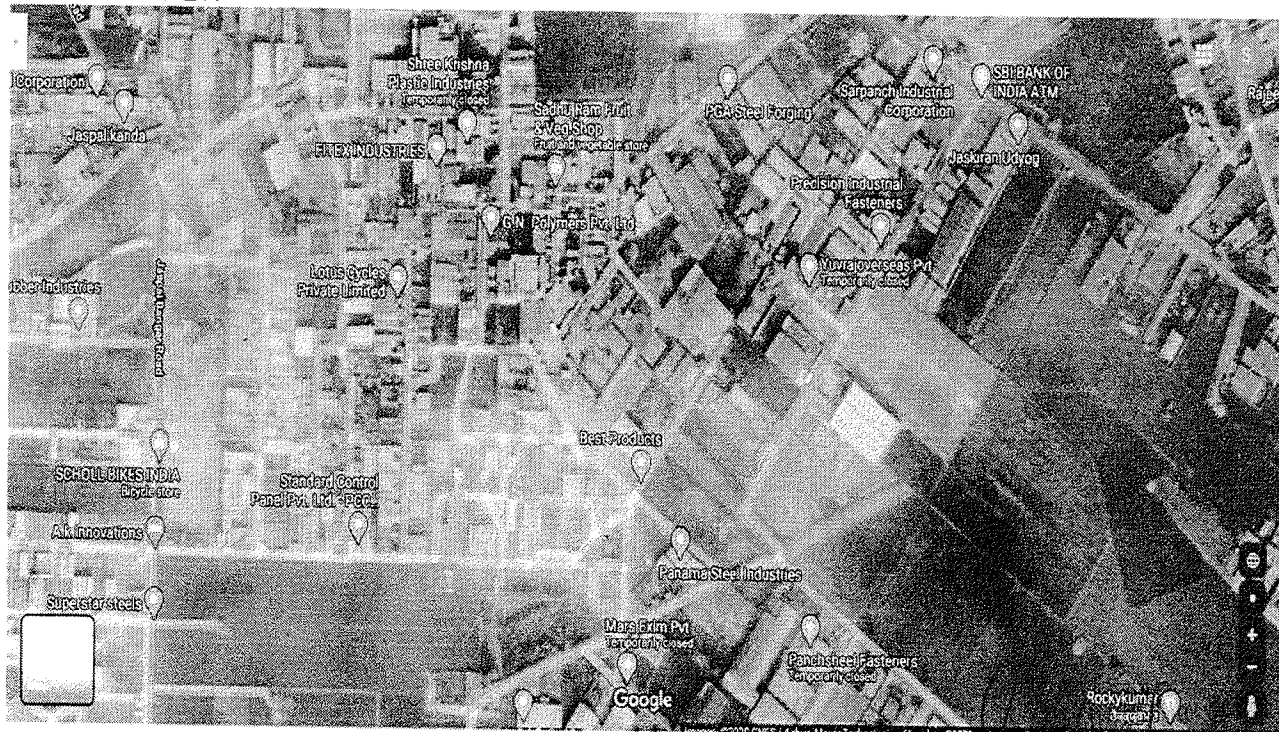
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EXHIBITS, PICTURES & TABLES INDUSTRIAL AREA C, SUA ROAD, LUDHIANA, PUNJAB OUTSIDE MAIN GATE OF OFFICE PLOT

LATITUDE-LONGITUDE



SATELLITE VIEW



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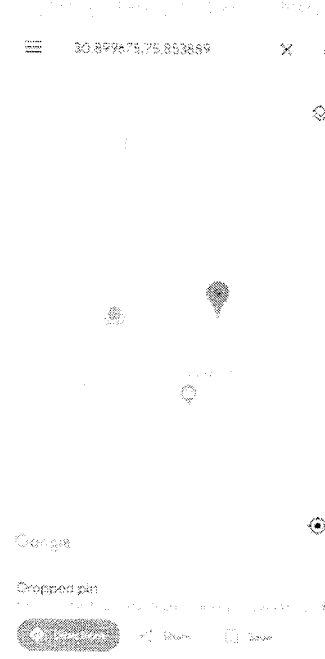
Registered Valuer - Land & Building (IBBI/RV/02/2018/10002)
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Master of Science in Engineering (Civil) - University of Texas at Austin, Texas, USA
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10A/7, Shakti Nagar, Delhi-110007, INDIA

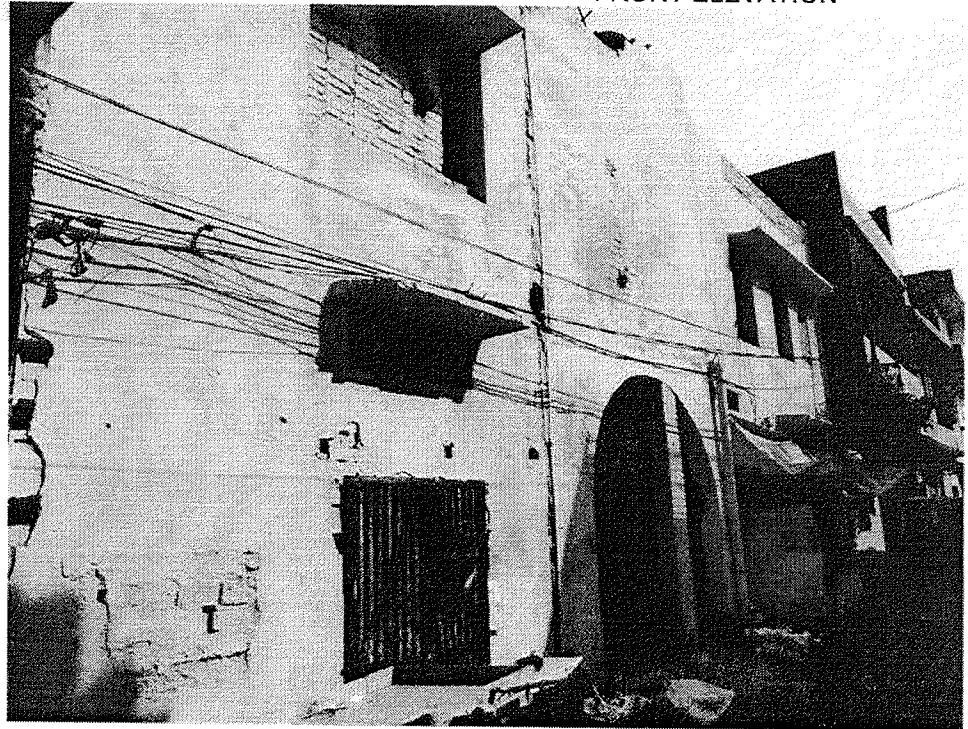
sachinji@gmail.com
+91-9871151731

MANOHAR NAGAR, LUDHIANA, PUNJAB

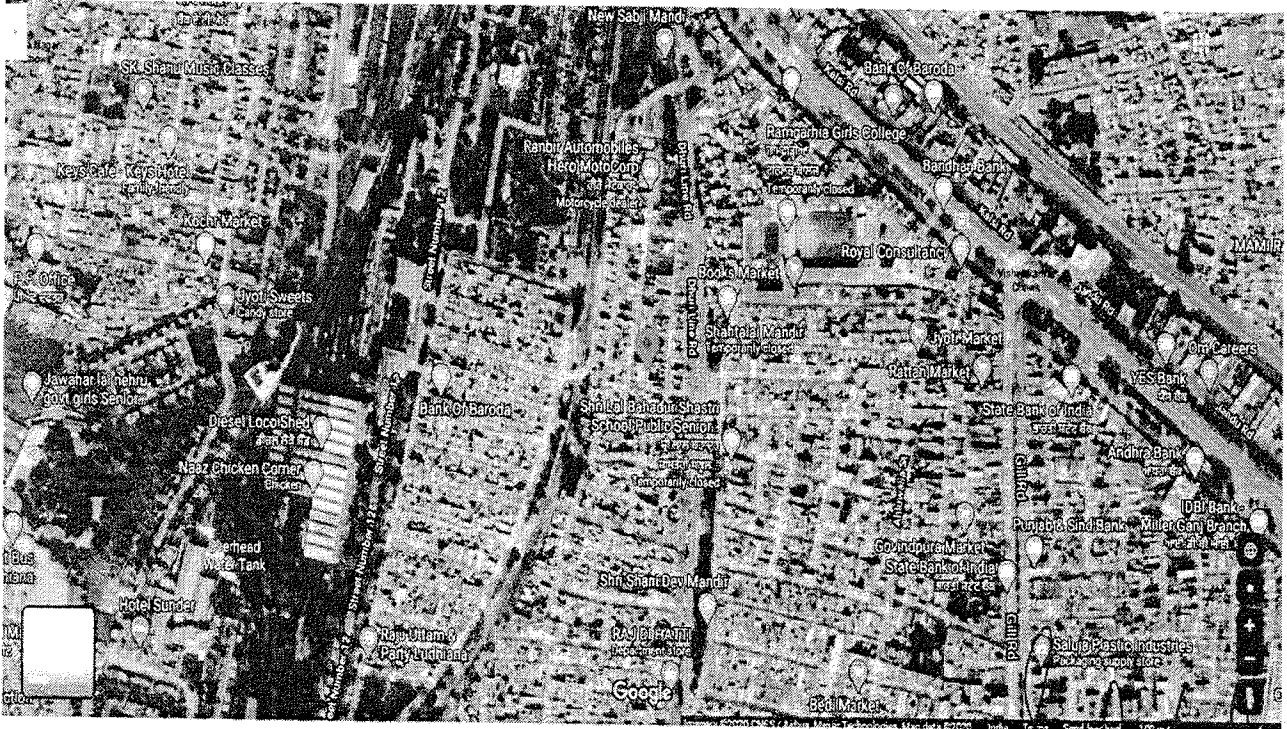
LATITUDE-LONGITUDE



FRONT ELEVATION



SATELLITE VIEW



SACHIN GOEL
IBBI/RV/02/2018/10002
REGISTERED VALUER - LAND & BUILDING
10-A/7, Shakti Nagar, Delhi-110007 INDIA
+91-9871151731 sachinji@gmail.com

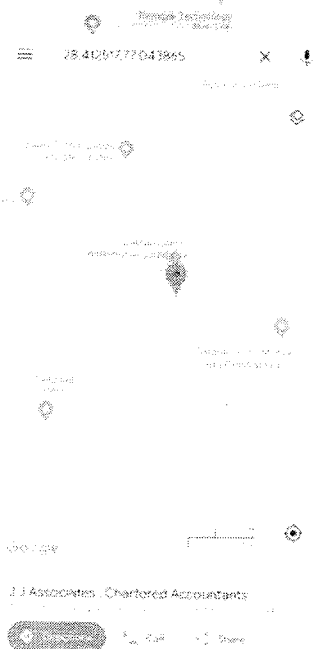
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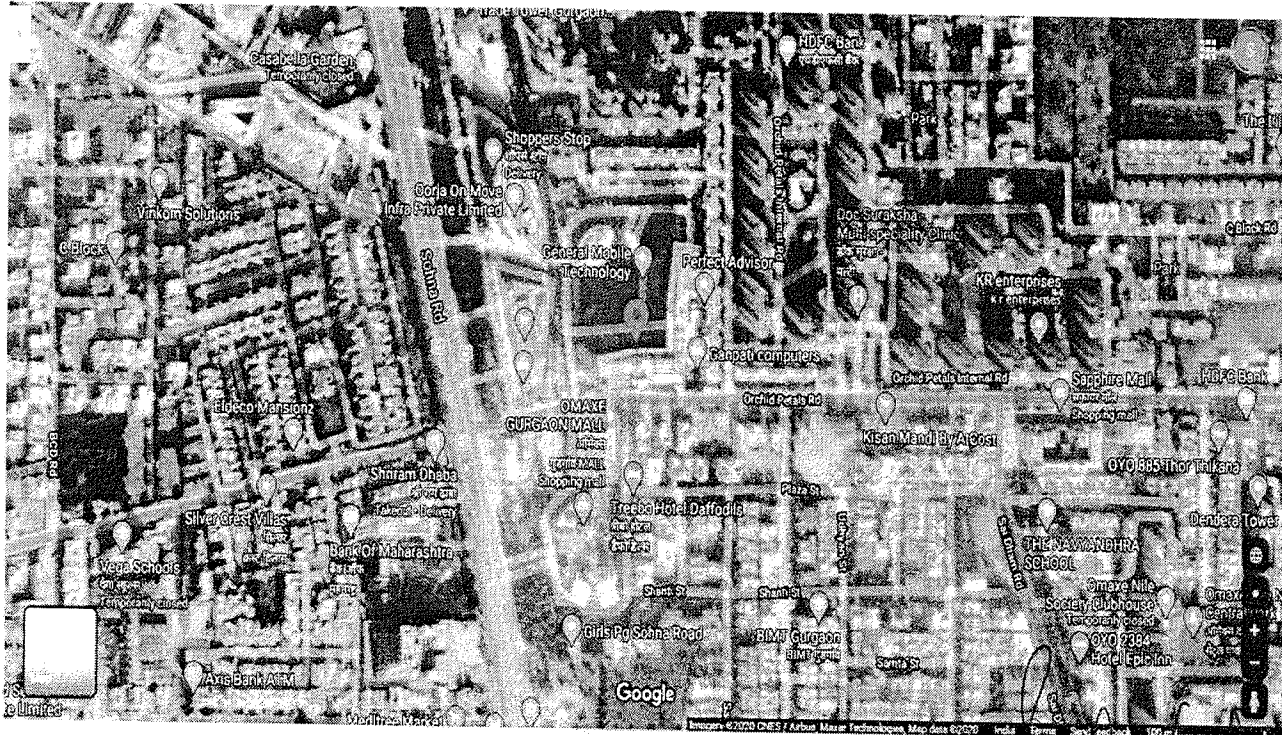
10A/7, Shakti Nagar, Delhi-110007, INDIA

sachinji@gmail.com
+91-9871151731

FLAT NO. 904, FLOOR 9, TOWER B2, SPAZE I TECH PARK, SECTOR 49, GURUGRAM, HARYANA
LATITUDE-LONGITUDE
IN FRONT OF MAIN DOOR



SATELLITE VIEW



Sachin Goel
SACHIN GOEL
IBBI/RV/02/2018/10002
REGISTERED VALUER - LAND & BUILDING
10-A/7, Shakti Nagar, Delhi-110007 INDIA ;
+91-9871151731 sachinji@gmail.com

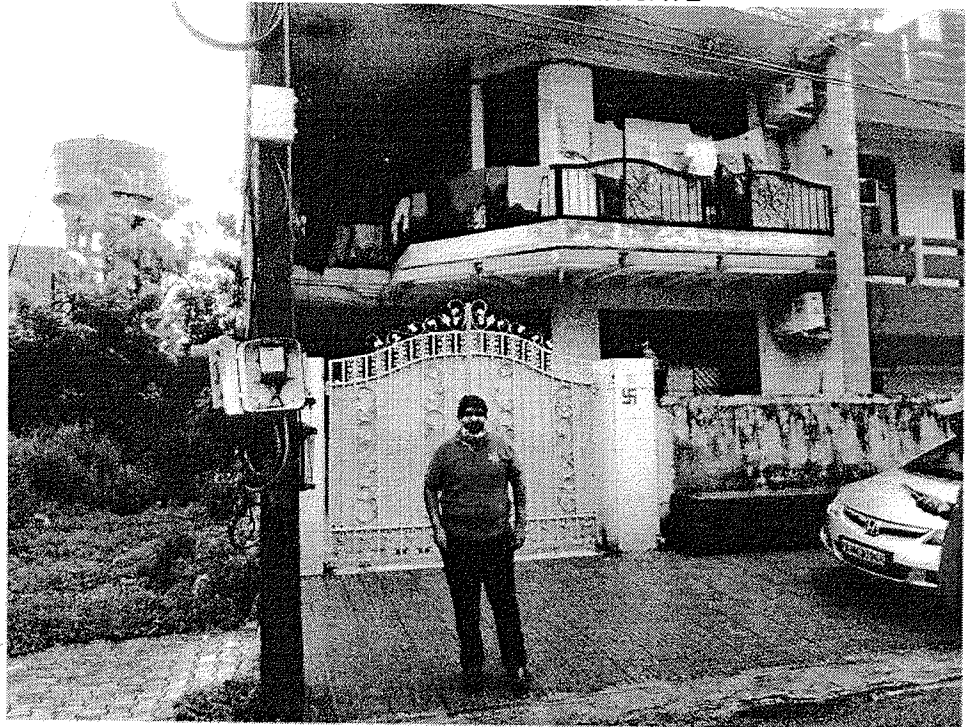
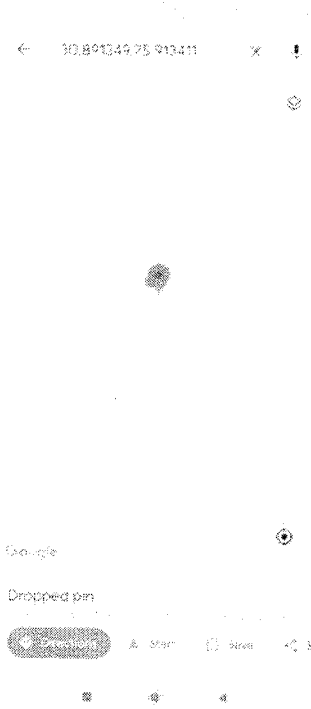
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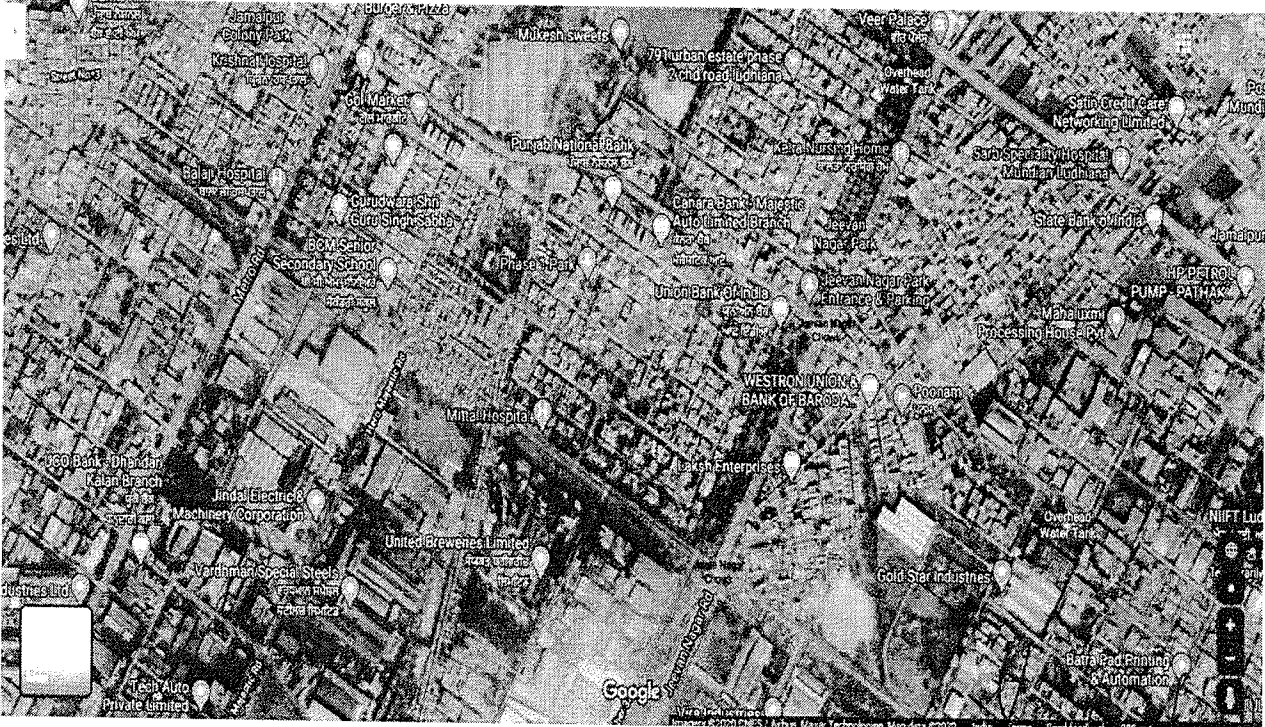
10A/7, Shakti Nagar, Delhi-110007, INDIA

sachinji@gmail.com
+91-9871151731

HOUSE NO. 380, URBAN ESTATE PHASE I, DHANDARI KALAN, LUDHIANA, PUNJAB
LATITUDE-LONGITUDE
OUTSIDE MAIN GATE



SATELLITE VIEW



Sachin Goel
SACHIN GOEL

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REGISTERED VALUER - LAND & BUILDING
10-A/7, Shakti Nagar, Delhi-110007 INDIA
+91-9871151731 sachinji@gmail.com

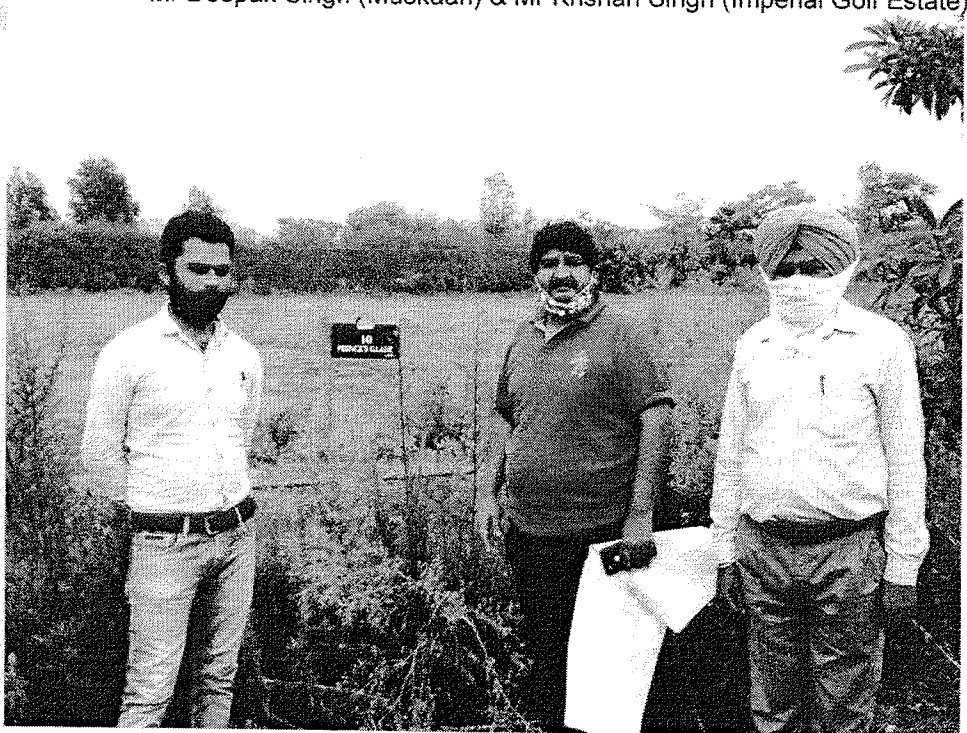
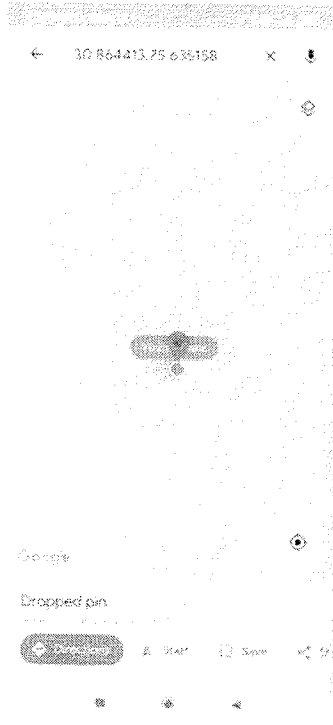
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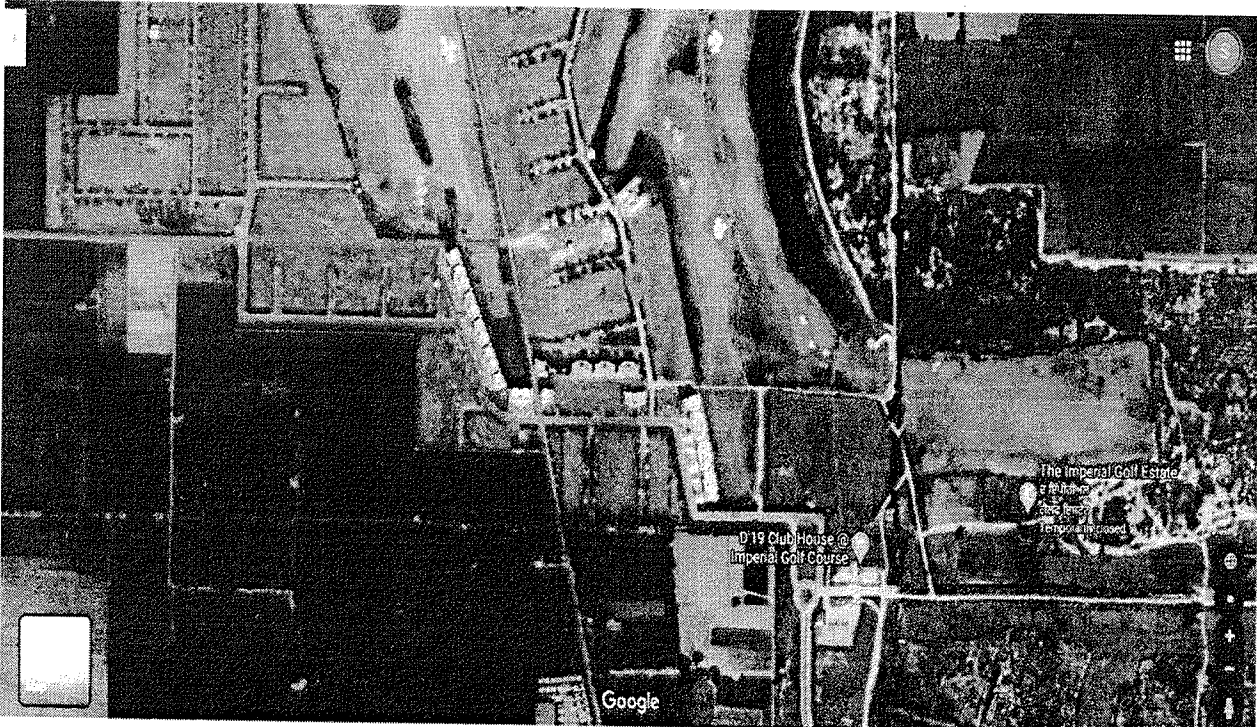
10A/7, Shakti Nagar, Delhi-110007, INDIA

sachinji@gmail.com
+91-9871151731

A-10, THE IMPERIAL GOLF ESTATE, DISTRICT LUDHIANA, PUNJAB
LATITUDE-LONGITUDE
Mr Deepak Singh (Muskaan) & Mr Krishan Singh (Imperial Golf Estate)



SATELLITE VIEW



Sachin Goel
SACHIN GOEL

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REGISTERED VALUER - LAND & BUILDING
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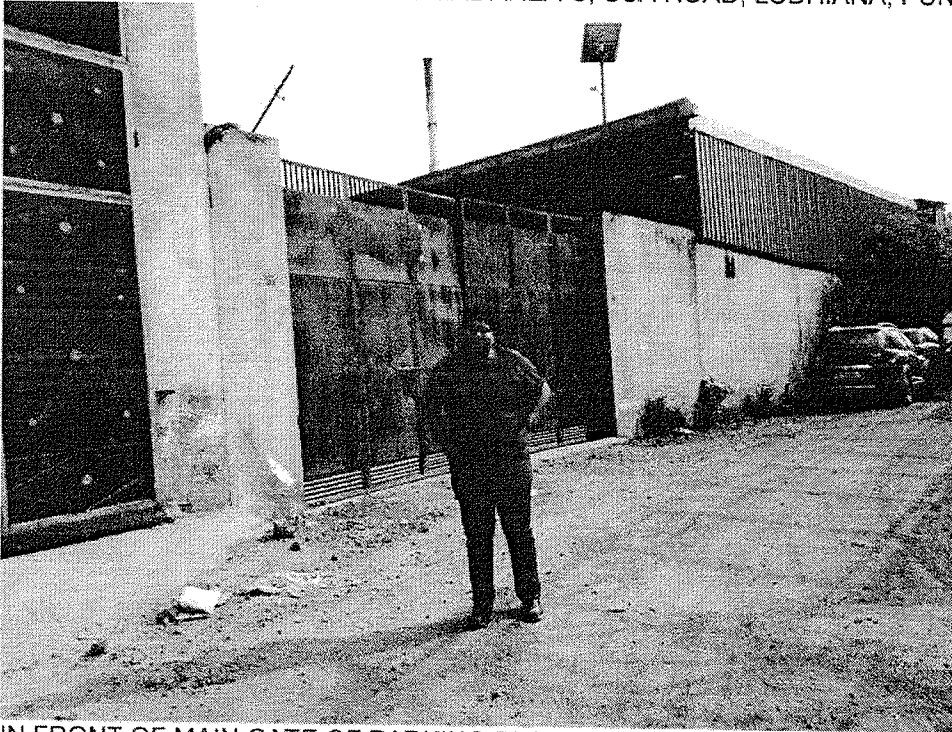
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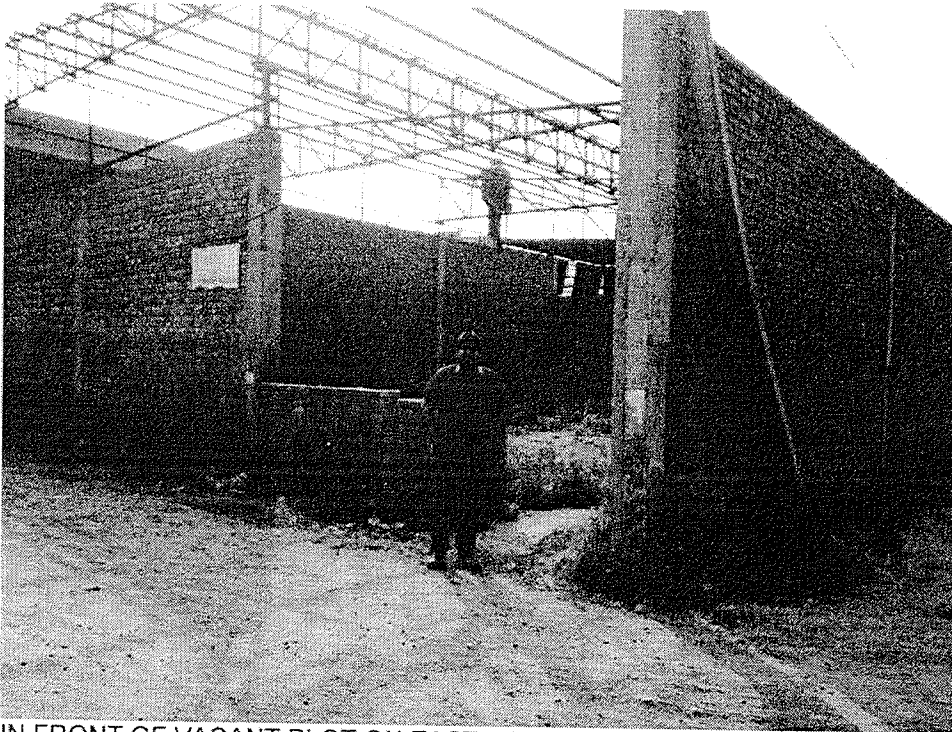
sachinjl@gmail.com
+91-9871151731

PICTURES

INDUSTRIAL AREA C, SUA ROAD, LUDHIANA, PUNJAB



IN FRONT OF MAIN GATE OF PARKING PLOT



IN FRONT OF VACANT PLOT ON EAST ACROSS THE ROAD

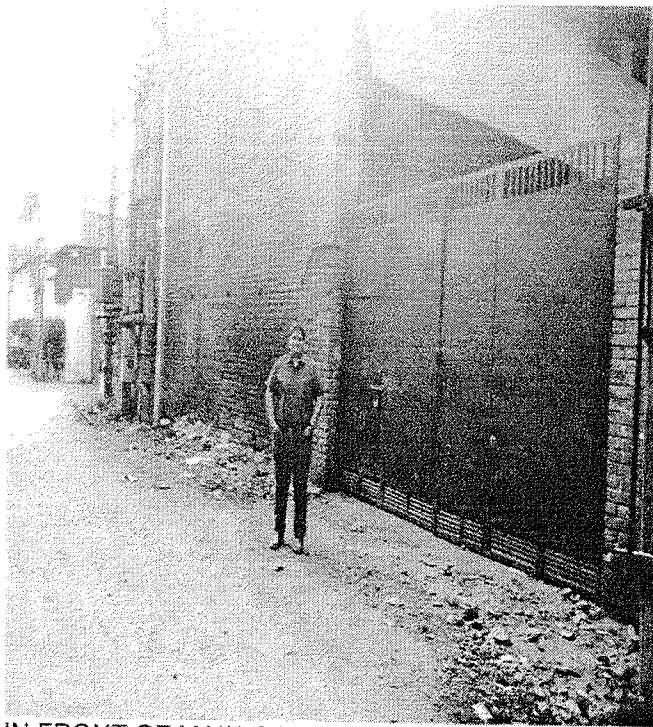
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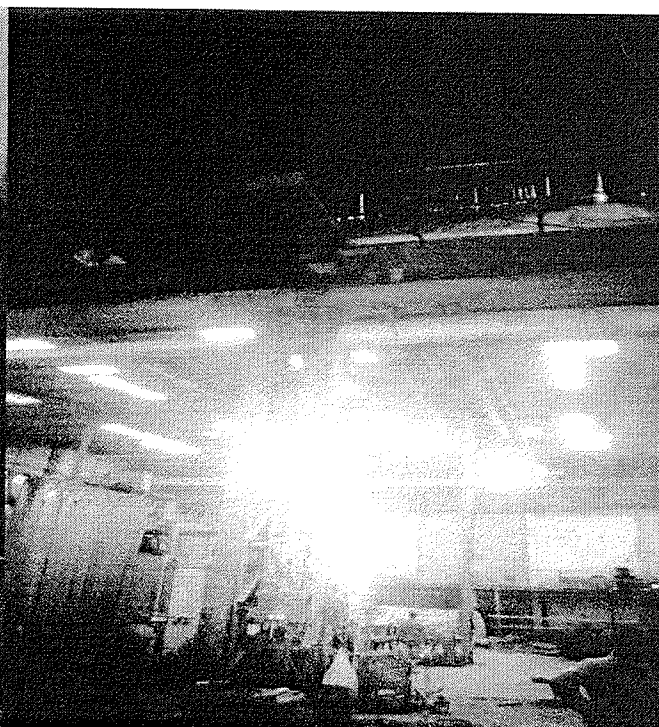
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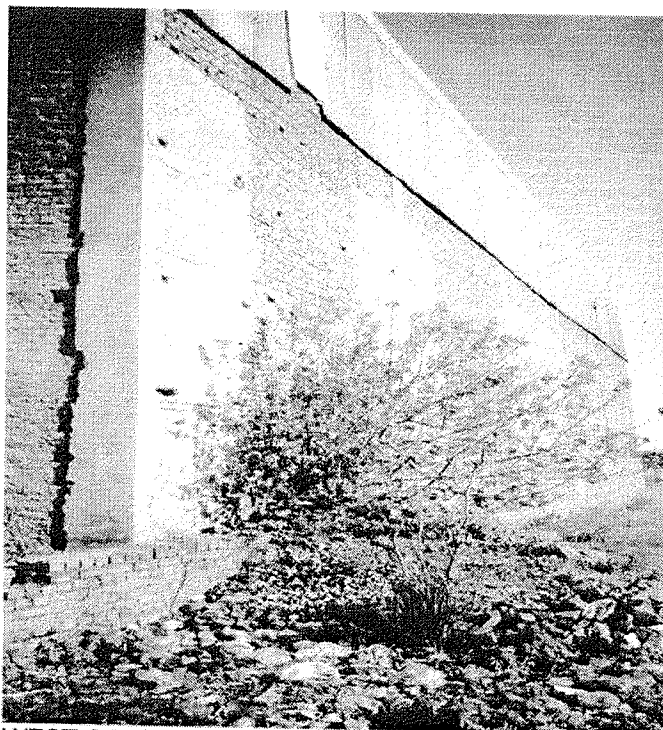
sachinji@gmail.com
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IN FRONT OF MAIN GATE OF PLOT ACROSS THE ROAD



INSIDE WORKING HALL



WEST CORNER OF THE FACTORY



INSIDE WORKING HALL

Sachin Goel
SACHIN GOEL

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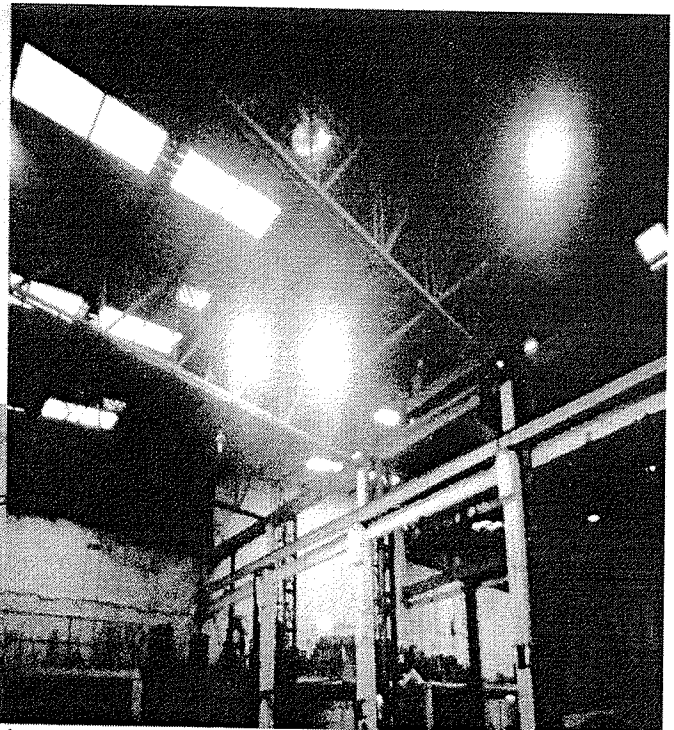
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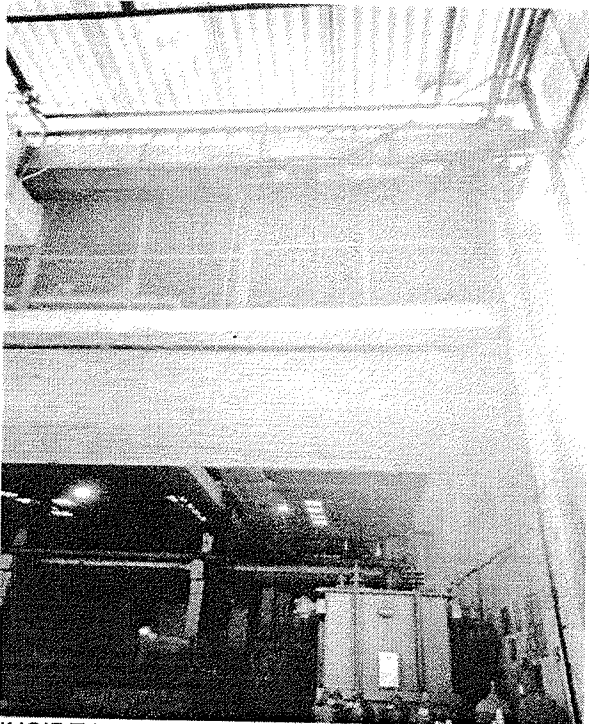
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STAFF PARKING IN FRONT ELEVATION OF FACTORY



INSIDE WORKING HALL



INSIDE WORKING HALL



INSIDE WORKING HALL

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REGISTERED VALUER - LAND & BUILDING
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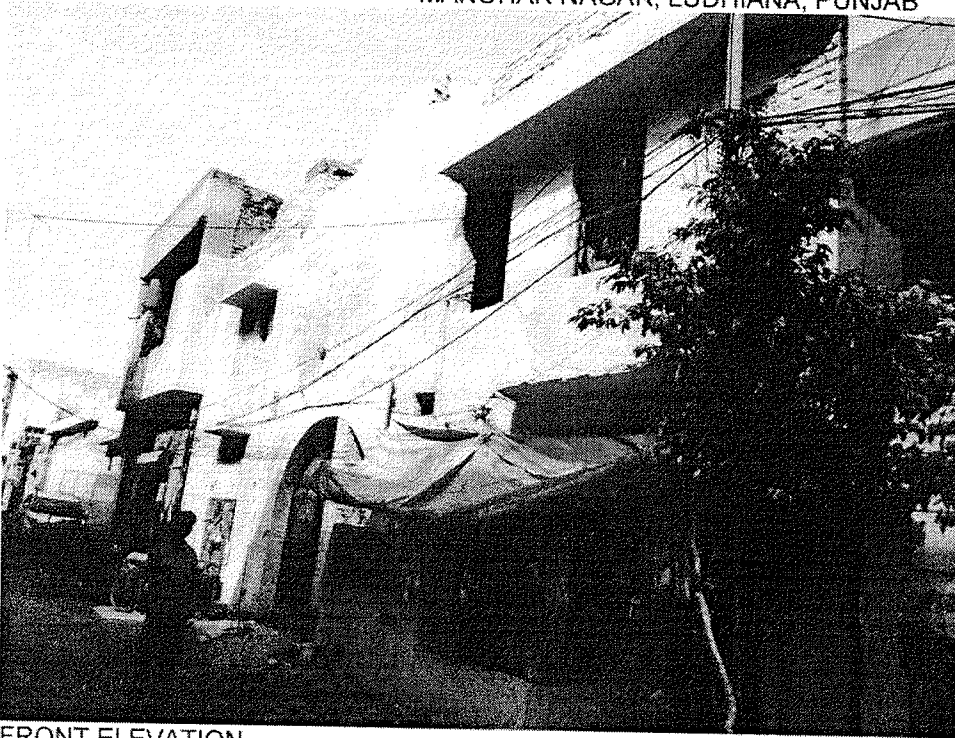
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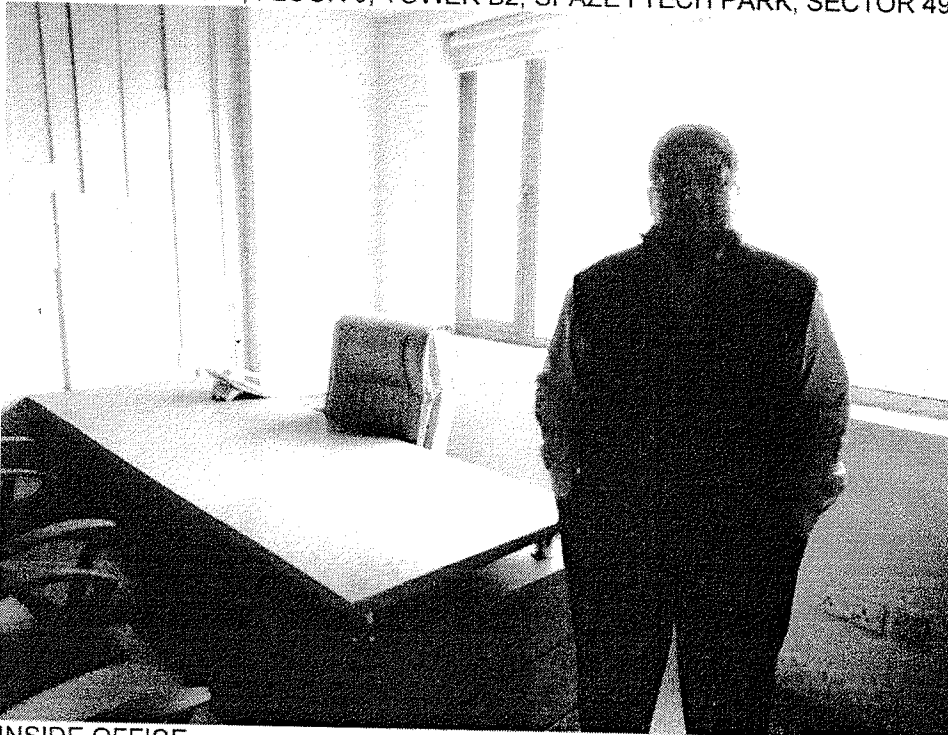
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MANOHAR NAGAR, LUDHIANA, PUNJAB



FRONT ELEVATION

FLAT NO. 904, FLOOR 9, TOWER B2, SPAZE I TECH PARK, SECTOR 49, GURUGRAM, HARYANA



INSIDE OFFICE

SACHIN GOEL
IBBI/RV/02/2018/10002
REGISTERED VALUER - LAND & BUILDING
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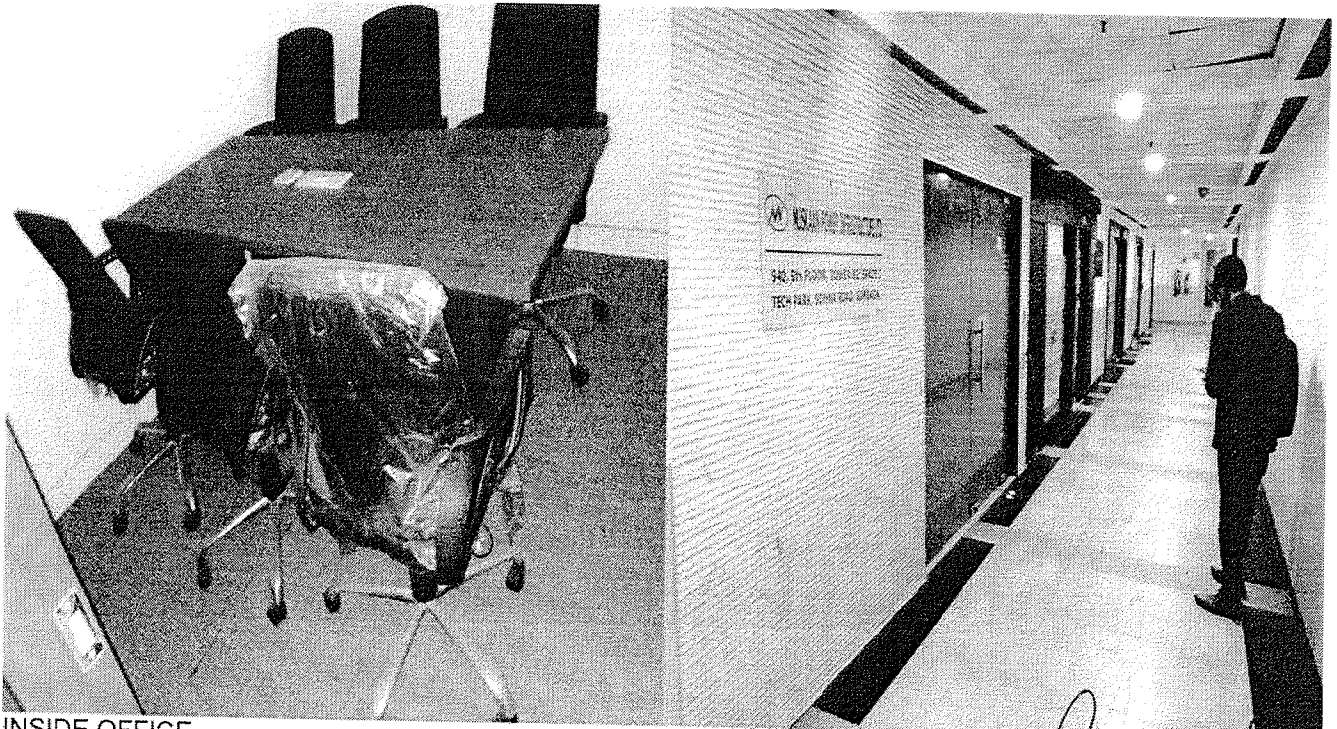
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INSIDE OFFICE

INSIDE OFFICE



INSIDE OFFICE

OUTSIDE OFFICE

Sachin Goel
SACHIN GOEL

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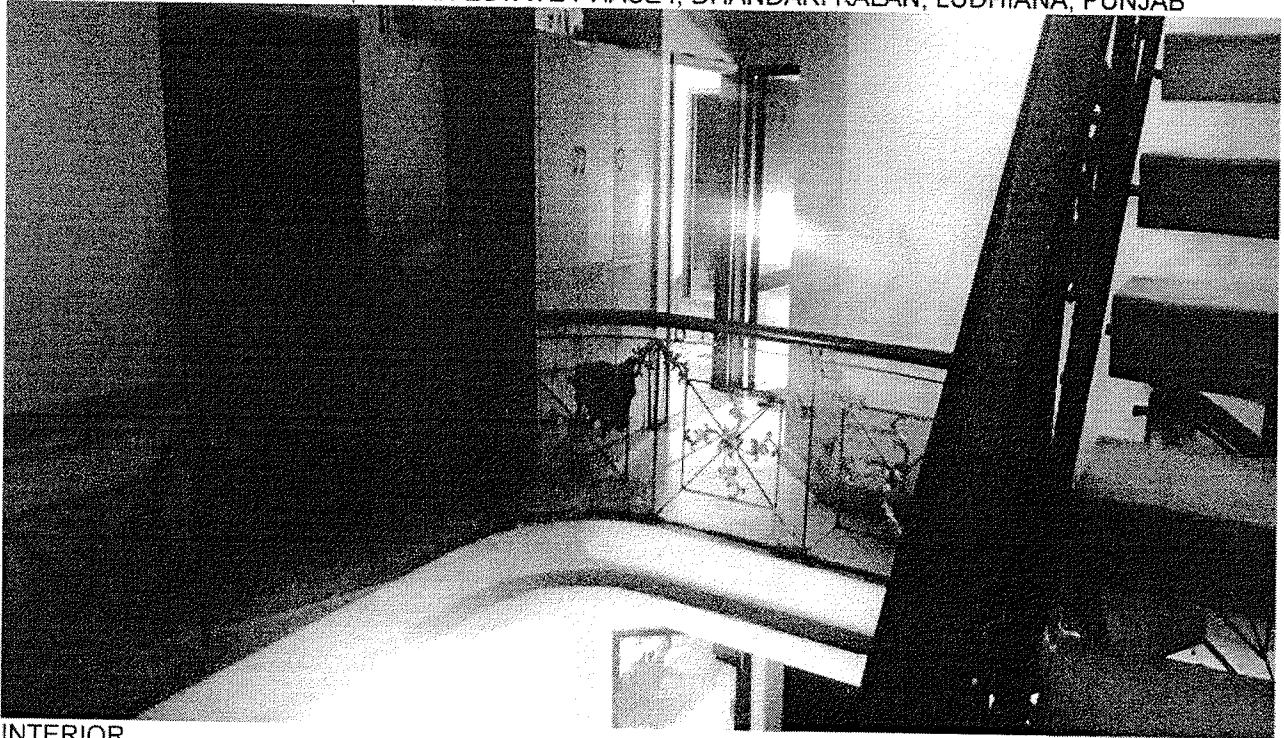
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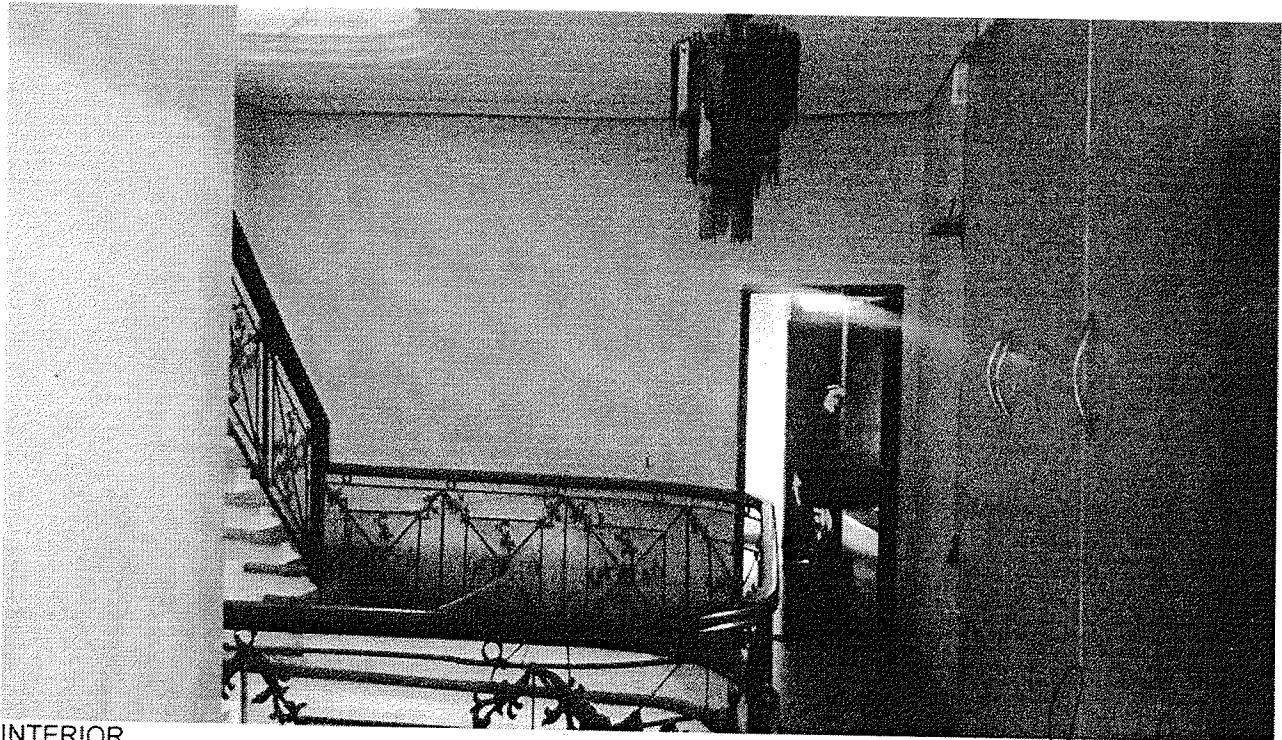
10A/7, Shakti Nagar, Delhi-110007, INDIA

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HOUSE NO. 380, URBAN ESTATE PHASE I, DHANDARI KALAN, LUDHIANA, PUNJAB



INTERIOR



INTERIOR

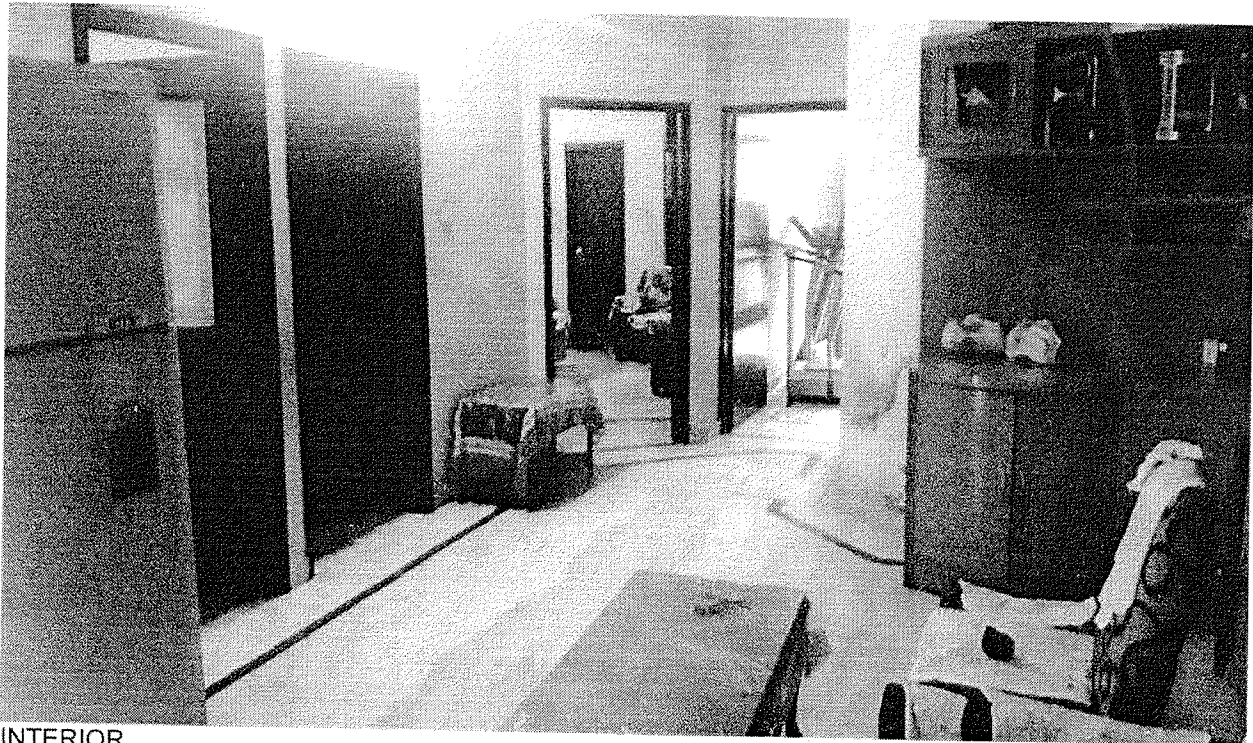
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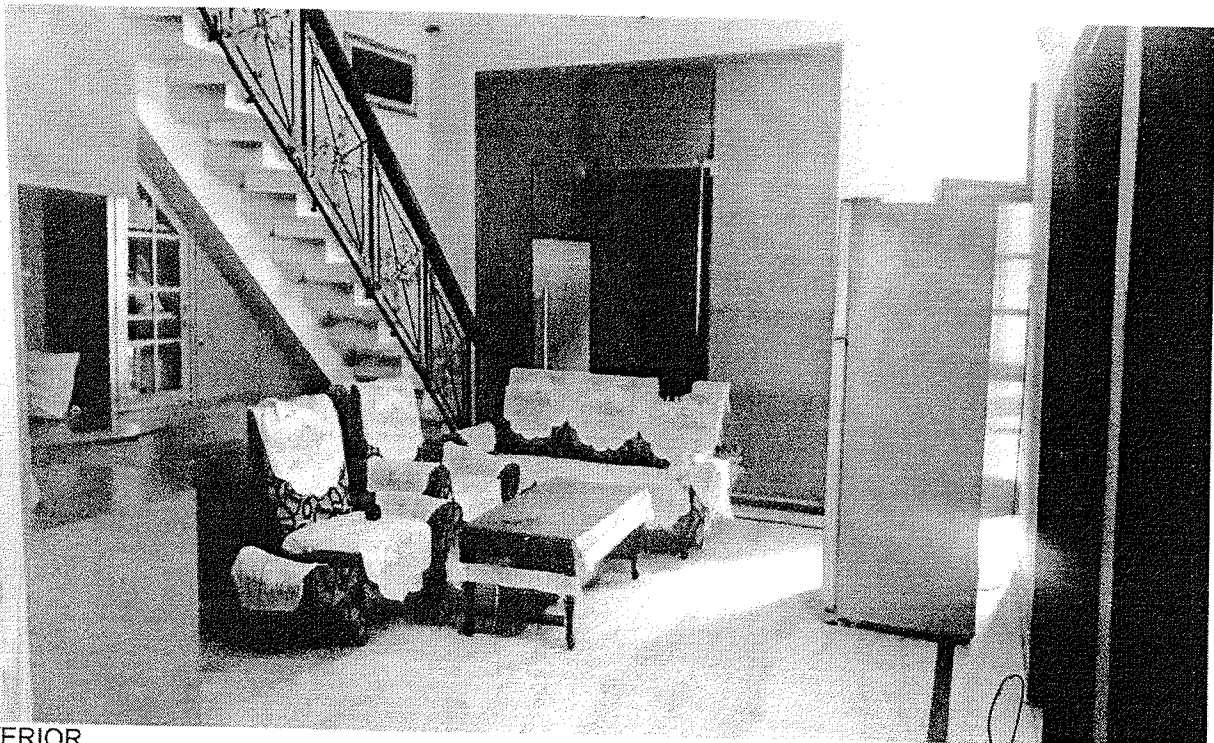
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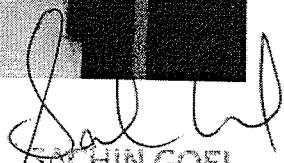
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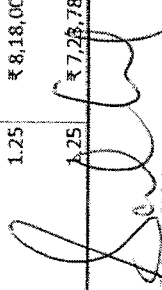
INTERIOR



INTERIOR


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REGISTERED VALUER - LAND & BUILDING
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MUSKAAN POWER INFRASTRUCTURE LTD														
ANNEXURE I - CALCULATION CHART FOR LAND COMPONENT														
S. No.	Date of Purchase	Title Deed No.	Seller	Purchaser	Village	Tehsil	District	State	Property No.	Area sqyd	Circle Rates		Premium Factor for	Realisable Value
											Industrial Rs / sqyd	Commercial Rs / sqft		
1	20-Jul-00		Harbans Kaur	Neeraj Mahajan	Dhandari Kalan	South Ludhiana	Ludhiana	Punjab	380, UE, Ph I	188.42		₹ 6,000.00	3.00	₹ 33,91,560
2	21-Jul-04	7066	Gurdev Singh	Ravi Mahajan	Kanganwal	Sahnewal	Ludhiana	Punjab		500.00	₹ 2,185.00		1.25	₹ 13,65,625
3	24-Jun-05	5199	Harpal Singh	Ravi Mahajan	Kanganwal	Sahnewal	Ludhiana	Punjab		400.00	₹ 2,185.00		1.25	₹ 10,92,500
4	27-Sep-07		Prakash Chand Gupta	Ravi Mahajan	Kanganwal	Sahnewal	Ludhiana	Punjab		508.25	₹ 2,185.00		1.25	₹ 13,88,158
5	18-Dec-07	11990	Lal Chand Amarjit	Ravi Mahajan	Kanganwal	Sahnewal	Ludhiana	Punjab		950.00	₹ 2,185.00		1.25	₹ 25,94,688
6	03-Mar-09	20510	Singh Kiran	Ravi Mahajan	Kanganwal	Sahnewal	Ludhiana	Punjab		500.00	₹ 2,185.00		1.25	₹ 13,65,625
7	15-Dec-09	13667	Nagpal Chand	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		305.00	₹ 2,185.00		1.25	₹ 8,33,031
8	12-May-10	3124	Lohia	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		503.00	₹ 2,185.00		1.25	₹ 13,73,819
9	06-Aug-10	7697	Surjit kaur	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		299.50	₹ 2,185.00		1.25	₹ 8,18,009
10	27-Jul-11		Balvir Kaur	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		265.00	₹ 2,185.00		1.25	₹ 7,28,781


SACHIN GOEL
 IBEI/RV/02/2018/10002
 REGISTERED VALUER - LAND & BUILDING
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 +91-9871151731 sachin@ymail.com

11	16-Dec-11	3737	Harpal Singh	MPIL	Kanganwal Peeru Banda	Sabnewal East Ludhiana	Ludhiana	Punjab	400.00	₹ 2,185.00		1.25	₹ 10,92,500
12	02-Mar-15	16305	Ajit Singh	MPIL	Banda	Ludhiana	Ludhiana	Punjab	308.00	₹ 5,985.00		1.25	₹ 23,04,225
13	07-Nov-14					Gurugram	Gurugram	Haryana	904	₹ 970.00	₹ 6,600.00	0.75	₹ 48,01,500
14					The Imperial Golf Estate		Ludhiana	Punjab	A10 1980.00	₹ 0.00			₹ 0
													₹ 2,31,45,021

Sachin Goel

SACHIN GOEL

IBBI/RV/02/2018/10007

REGISTERED VALUER - LAND & BUILDING

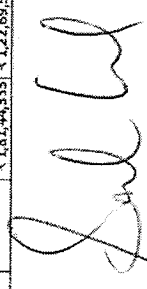
10-A77, Shakti Nagar, Delhi-110007 INDIA

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MUSKAMAN POMER INFRASTRUCTURE LTD
ANNEXURE 2 - CALCULATION CHART FOR BUILDING COMPONENT

S. No.	Building Description	Structure	Roofing	Flooring	Area (sqm)	Year of Construction	Replacement Rate (Rs/sqm)	Replacement Cost	Total Current Balance Life (Year)	Depreciation per year	Depreciation			Value					
											Liquidation 1	Liquidation 2	Liquidation 3	Liquidation 1	Liquidation 2	Liquidation 3			
1	Residential Ground floor @ 188 sqyd plot	Perma	Stone/Tile	Stone/Tile	1769	2000	₹ 1,765.16	₹ 22,39,985	60	40	1.67%	46.03%	₹ 10,31,162	₹ 14,22,856	₹ 18,34,423	₹ 12,08,823	₹ 8,17,129	₹ 4,08,565	
2	Residential First Floor @ 188 sqyd plot	Perma	Stone/Tile	Stone/Tile	1769	2000	₹ 1,765.16	₹ 22,39,985	60	40	1.67%	46.03%	₹ 10,31,162	₹ 14,22,856	₹ 18,34,423	₹ 12,08,823	₹ 8,17,129	₹ 4,08,565	
3	Working Hall @ 500 sqyd plot	Temp	Sheet	CC	2700	2004	₹ 603.87	₹ 16,30,448	30	16	3.33%	52.85%	₹ 8,61,693	₹ 10,40,778	₹ 13,35,613	₹ 7,68,755	₹ 5,89,670	₹ 2,94,835	
4	Office Building Ground Floor @ 400 sqyd plot	Perma	Stone/Tile	Stone/Tile	1733	2005	₹ 1,207.74	₹ 20,93,000	60	45	1.67%	42.50%	₹ 8,97,945	₹ 13,29,490	₹ 17,11,245	₹ 11,95,055	₹ 7,63,510	₹ 3,81,755	
5	Office Building First floor @ 400 sqyd plot	Perma	Stone/Tile	Stone/Tile	1733	2005	₹ 1,207.74	₹ 20,93,000	60	45	1.67%	42.50%	₹ 8,97,945	₹ 13,29,490	₹ 17,11,245	₹ 11,95,055	₹ 7,63,510	₹ 3,81,755	
6	Site Development @ 400 sqyd plot	NA	NA	CC	1,867	2005	₹ 181.16	₹ 3,38,279	30	15	3.33%	51.85%	₹ 1,75,364	₹ 2,15,905	₹ 2,77,067	₹ 1,62,865	₹ 1,22,325	₹ 61,162	
7	Working Hall @ 508.25 sqyd plot	Temp	Sheet	CC	4574	2007	₹ 603.87	₹ 27,62,251	30	13	3.33%	49.74%	₹ 13,73,896	₹ 17,63,251	₹ 22,62,751	₹ 13,88,355	₹ 9,99,000	₹ 4,99,500	
8	Working Hall @ 950 sqyd plot	Temp	Sheet	CC	8550	2007	₹ 603.87	₹ 51,63,086	30	13	3.33%	49.74%	₹ 25,68,091	₹ 32,95,297	₹ 42,29,442	₹ 25,95,056	₹ 18,67,290	₹ 9,33,645	
9	Working Hall @ 500 sqyd plot	Temp	Sheet	CC	2,700	2009	₹ 603.87	₹ 16,30,448	30	11	3.33%	47.48%	₹ 7,74,150	₹ 10,40,778	₹ 13,35,613	₹ 8,56,298	₹ 5,89,670	₹ 2,94,835	
10	Working Hall @ 305+503+ 298.5 sqyd plot	Temp	Sheet	CC	7492	2010	₹ 603.87	₹ 45,24,000	30	10	3.33%	46.29%	₹ 20,94,311	₹ 28,87,849	₹ 37,05,922	₹ 24,29,689	₹ 16,36,157	₹ 8,18,178	
11	Site Development @ 265 sqyd plot	Temp	NA	NA	2,476	2010	₹ 144.93	₹ 3,58,817	30	10	3.33%	46.29%	₹ 1,66,109	₹ 2,29,047	₹ 2,93,932	₹ 1,92,709	₹ 1,29,770	₹ 64,885	
12	Site Development @ 265 sqyd plot	Temp	NA	NA	2,385	2011	₹ 144.93	₹ 3,45,055	30	9	3.33%	45.06%	₹ 1,55,768	₹ 2,20,645	₹ 2,83,150	₹ 1,89,886	₹ 1,25,010	₹ 62,505	
13	Site Development @ 466 sqyd plot	Temp	NA	NA	3,600	2011	₹ 301.93	₹ 10,86,966	30	9	3.33%	45.06%	₹ 4,89,841	₹ 6,93,852	₹ 8,90,409	₹ 5,97,125	₹ 3,93,114	₹ 1,96,557	
14	Labor Quarters First Floor @ 308 sqyd plot	Perma	RCC	CC	2,772	2004	₹ 1,207.74	₹ 33,47,854	60	44	1.67%	43.55%	₹ 14,57,988	₹ 21,76,583	₹ 27,37,218	₹ 18,89,866	₹ 12,21,271	₹ 6,10,636	
15	plot	Perma	RCC	CC	2,772	2004	₹ 1,207.74	₹ 33,47,854	60	44	1.67%	43.55%	₹ 14,57,988	₹ 21,76,583	₹ 27,37,218	₹ 18,89,866	₹ 12,21,271	₹ 6,10,636	
16	Furnishing of office at Gurugram	NA	NA	NA	970	2015	₹ 603.87	₹ 5,87,754	60	5	1.67%	35.79%	₹ 2,09,644	₹ 3,72,076	₹ 4,78,914	₹ 3,76,110	₹ 2,13,678	₹ 1,06,839	
					47892	4449											₹ 1,81,44,335	₹ 1,22,69,506	₹ 61,34,753


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MUSKAAN POWER INFRASTRUCTURE LTD														
ANNEXURE 3 - SUMMARY CHART FOR LAND & BUILDING COMPONENT														
S. No.	Date of Purchase	Title Deed No.	Seller	Purchaser	Village	Tehsil	District	State	Property No.	Area		Realisable Value		
										sqyd	sqft	Land	Building	Land & Building
												INR	INR	INR
1	20-Jul-00		Harbans Kaur	Neeraj Mahajan Ravi	Dhandari Katar	South Ludhiana	Ludhiana	Punjab	380, UE, Phi	188.42		₹ 33,91,560	₹ 8,17,129	₹ 42,08,689
2	21-Jul-04	7066	Gurdev Singh	Mahajan Ravi	Kanganwal	Sahnewal	Ludhiana	Punjab		500.00		₹ 13,65,625	₹ 2,94,835	₹ 16,60,460
3	24-Jun-05	5199	Harpal Singh	Mahajan Ravi	Kanganwal	Sahnewal	Ludhiana	Punjab		400.00		₹ 10,92,500	₹ 8,24,673	₹ 19,17,173
4	27-Sep-07		Prakash Chand Gupta	Mahajan Ravi	Kanganwal	Sahnewal	Ludhiana	Punjab		508.25		₹ 13,88,158	₹ 4,99,500	₹ 18,87,658
5	18-Dec-07	11990	Lal Chand	Mahajan Ravi	Kanganwal	Sahnewal	Ludhiana	Punjab		950.00		₹ 25,94,688	₹ 9,33,645	₹ 35,28,333
6	03-Mar-09	20510	Amarjit Singh	Mahajan Ravi	Kanganwal	Sahnewal	Ludhiana	Punjab		500.00		₹ 13,65,625	₹ 2,94,835	₹ 16,60,460
7	15-Dec-09	13667	Kiran Nagpal	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		305.00		₹ 8,33,031	₹ 8,82,964	₹ 17,15,995
8	12-May-10	3124	Chanda Lohia	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		503.00		₹ 13,73,819	₹ 0	₹ 13,73,819
9	06-Aug-10	7697	Surjit Kaur	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		299.50		₹ 8,18,009	₹ 0	₹ 8,18,009
10	27-Jul-11		Balvir Kaur	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		265.00		₹ 7,23,781	₹ 62,505	₹ 7,86,286
11	16-Dec-11	3737	Harpal Singh	MPIL	Kanganwal	Sahnewal	Ludhiana	Punjab		400.00		₹ 10,92,500	₹ 1,96,557	₹ 12,89,057
12	02-Mar-15	16305	Ajit Singh	MPIL	Peeru Banda	East Ludhiana	Ludhiana	Punjab		308.00		₹ 23,04,225	₹ 12,21,271	₹ 35,25,496
13	07-Nov-14				The Imperial Golf Estate	Gurugram	Gurugram	Haryana	Flat No. 904	970.00		₹ 48,01,500	₹ 1,06,839	₹ 49,08,339
14										1980.00		₹ 0	₹ 0	₹ 0
											₹ 2,31,45,021	₹ 61,34,753	₹ 2,92,79,774	

(Handwritten Signature)

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VALUATION REPORT
of
PLANT & MACHINERY
VEHICLES, EQUIPMENTS & STOCK
owned by
M/s MUSKAAN POWER INFRASTRUCTURE LTD
situated at
INDUSTRIAL AREA-C, SUA ROAD, DHANDARI
KALAN, LUDHIANA

11-Jul-2020

ANKIT GOEL

Registered Valuer

Plant & Machinery

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS	3
PURPOSE & SCOPE OF VALUATION.....	3
ACKNOWLEDGEMENTS.....	3
INDIAN POWER EQUIPMENT (TRANSFORMER) INDUSTRY - ECONOMIC SCENARIO	4
ABOUT COMPANY.....	8
METHOD & APPROACH OF VALUATION (PLANT & MACHINERY)	9
VALUATION – PLANT, MACHINERY, VEHICLES, EQUIPMENT & STOCK	10
VALUATION (PLANT, MACHINERY, VEHICLES, EQUIPMENT & STOCK) – CONCLUSION.....	13
EXHIBITS, PICTURES & TABLES	14

EXECUTIVE SUMMARY

Company Name	M/s Muskaan Power Infrastructure Ltd
Company Type	Private Limited (was about to release its IPO before the Resolution process started but could not)
Location	Industrial Area-C, Sua Road, Dhandari Kalan, Ludhiana-141014, Punjab
Current Use	In Operation
Power Source	Power is being supplied by local Power Distribution Company
Water Source	Water is being sourced through the Borewell situated inside the premises
Date of Work Order	02-Jul-2020
Date of Inspection	08-Jul-2020
Date of Valuation	08-Jul-2020
Date of Receiving the Last Essential Documents	03-Jul-2020
Date of Report	11-Jul-2020
VRN Number	IOV/2020-21/217
Realisable Value (Plant & Machinery)	INR 4,22,17,000/-

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ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS

The value(s) set forth in this Valuation Report is subject to the following Limiting Conditions:

- 1) No Responsibility is to be assumed for matters legal in nature, nor is any opinion of title rendered by this Report. A Valuation is linked to a purpose and time. Therefore, this valuation is only valid for purpose and conditions mentioned in the report.
- 2) This valuation is based on the information provided by the Client or the Client's Representative and has been assumed to be correct. The facts such as ownership, specifications and age have been taken from sources assumed to be correct. However, no responsibility is assumed in case false information and/or false documentation has been furnished to the Valuer.
- 3) The Valuer, by reasons of this Report, is not required to give testimony in Court, with reference to the Appraised Assets unless arrangements for such contingency have been previously agreed upon.
- 4) The physical condition of the assets under valuation was passed on visual observation on the Date of Inspection. No liability is assumed for the soundness of the asset before or after that date.
- 5) Possession of any copy of this Report does not carry with it the right of publication, nor may be used for any purpose by any one, except the addressee and the property owner without the prior written consent of the Valuer, and in any event, only may be revealed in its entirety.
- 6) Any special assumptions made have been mentioned elsewhere in the text of this Report.
- 7) The maximum aggregate liability to any involved parties arising from, or in relation to, this valuation report howsoever arising shall not in any circumstances exceed the professional fee payable to the undersigned Valuer for this Valuation.

PURPOSE & SCOPE OF VALUATION

The undersigned Valuer has been appointed by Mr Jalesh Kumar Grover, Liquidator for M/s Muskaan Power Infrastructure Limited (Regn No IBBI/IPA-001/IP-00200/2017-2018/10390) vide Appointment Letter dated 02-Jul-2020 for the purpose of assessment of Realisable Value of all Plant & Machinery, Equipment & Vehicles of M/s Muskaan Power Infrastructure Ltd location at Industrial Area-C, Sua Road, Dhandari Kalan, Ludhiana, Punjab after taking into account the nature of the business, history of the company, economic outlook in general and of the specific industry, book value and the estimated realisable value of the assets along with goodwill or other intangible value etc if realisable.

ACKNOWLEDGEMENTS

We express our sincere thanks to the management of M/s Muskaan Power Infrastructure Ltd and the Liquidation team for providing all the information possible from their records and facilitating the physical verification of the complete plant and machinery across the premises (during the visit on 08-Jul-2020) especially:

- 1) Mr. Deepak Singh – Supervisor (+91-8427970530)


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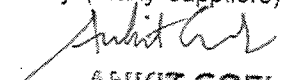
INDIAN POWER EQUIPMENT (TRANSFORMER) INDUSTRY - ECONOMIC SCENARIO

India is now a fast emerging market inching to reach half a billion middle income population by 2030 and is on the verge of becoming a major power nation among developed economies. Electricity is a key constituent for the economic growth of the country and is directly linked to GDP of the country. There has been a surge in demand in India due to increase in utilisation, industrialisation, urbanisation and population. The Western region accounted for the largest revenue share in the country in 2016. However, the major investment in transmission sector is expected in the Southern region, followed by the Northern and Western region. In the distribution sector, the Western region is expected to receive highest investments followed by the Southern and Northern region. Currently, through reforms, the Government of India plans to add 93 GW capacity by 2022, which would fuel the demand for power transmission and distribution equipment. The Indian power and distribution transformer market is forecast to reach \$2.9 billion by 2022. The Government has projected an investment of Rs 1,46,000 Crores in transmission sector by FY 2019 which results in demand for distribution and power transformers.

With implementation of Government booster schemes such as "UDAY", there is a huge acceleration of infrastructural amendment in India. This has influenced invitation for bids for refurbishment and up-gradation of existing Transmission & Distribution network. The Government of India is trying to bail out most of the discoms in order to make them financially self-sufficient so that they distribute electricity at reasonable cost to domestic and industrial users, which in turn, has taken care of all the issues spread across India right from the remotest village to the nearest town. All of these factors have resulted in increase in demand of transformers across India because energy distribution always needs this single most important device in the network that is transformer.

The discoms have been instructed to reduce losses to the tune of 10% - 12% which means they have to go for efficient transformers. The Bureau of Indian Standards circulation has issued strict norms on transformer losses and it is expected that in the next 3 years time, discoms have to replace all existing transformers with Level-3 Transformers (Level 3 means 5-Star Rated Transformers). The Indian transformer industry has been stagnant over the past 1-2 years due to slowdown in projects both in the power transmission and distribution sectors. Ambiguity around GST rates for capital goods products has added further to the business slowdown. The transformer industry largely depends on the spending from transmission and distribution utilities and recent tenders/ordering activity by utilities clearly demonstrate the downward trend. It has also been observed that the number of projects, especially in the transmission sector which have been initiated have been put on hold due to delay in approvals and lack of funds.

However, few major growth drivers such as the government initiatives like DDUGJY, IPDS and growing FDI in power industry are re-fuelling growth in the industry. The growth in renewable energy sector also substantially helps in increase in demand for transformers. In order for the transformer industry to really take advantage of such positive factors, the design team of transformers should be very strong. They need to make the designs in such a way that material required for manufacturing transformers should be available freely (many suppliers) and less


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customized materials need to be ordered. The windings should be made easy so that workmen find them easy to assemble. The other growth driver is coordination between different departments (active path and tanks).

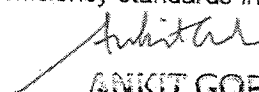
Apart from manufacturing transformers, transformer service industry can also be started thus achieving third-party contracts from governments or other private players. Current transformers and potential transformers can be manufactured from the wastage of distribution and power transformers reducing the manufacturing costs. Government schemes such as DDUGJY and IPDS which are aimed at improving the distribution networks in rural and urban areas, respectively, largely drive the distribution transformer demand in India. The demand from these schemes is expected to continue and in addition new schemes such as Saubhagya scheme which aims to provide last mile connectivity to rural consumers should increase future demand. Infrastructure segment (especially Metro Rail Projects) are witnessing increase in demand for distribution transformers and increased government spending in this segment is set to drive demand in future.

For power transformers, intra-state transmission projects (400 kV and below) are expected to drive demand. State TRANSCOS will majorly drive this demand and float new transmission projects through the TBCB model. PGCIL, which is mainly into executing and implementing interstate projects, is planning to aggressively enter intrastate projects by forming joint ventures with state utilities. Distribution transformers up to 2 MVA remain the hot cakes as this is the range defined by BIS, however, with increase of power demand and up-gradation of substation; the power transformers also need replacement or relocation to less populated demand centre. Most of the solar power generation built last year are now almost connected to the national grid and often throwing huge power flow in the cycle which is meeting country 23 % power demand in few demand centre during peak hours. The solar boom has created a new demand of Inverter Duty Special Transformers. NTPC, NHPC and SECI have been continuously inviting GW bids and with Indian Government's dream of 20 GW by 2022 has created a restless situation is solar field raising a high need with high speed supply derivatives.

Amidst all of the positive growth factors, there are few challenges as well. India's transformer market is predominantly unorganised with many small participants catering to the smaller distribution transformer markets. However, many are slowly graduating to the medium-sized category, thus expanding the organised participants' base. This makes the market more competitive and price sensitive rather than quality oriented. If an organisation focuses on quality manufacturing of transformers, they can sustain the competition and have incremental growth.

There are wide variety of products and different star ratings requirement from customers/clients. So, certifications of each and every product become an expensive process due to less number of testing facilities. Testing infrastructure available at India's premium agency, the CPRI is proving short of demand as they are not in pace with the production both quantitatively and qualitatively. So, large power transformers are sometimes sent to overseas facilities for testing. It takes around 2-3 months for BEE certification. Dual certification from both BIS and BEE is required in India which is even more challenging. There were new BIS efficiency standards introduced last

5


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year: the transition to meet these new standards has led to a few hiccups on the distribution transformers market. Most of the manufacturers were not ready with mandatory BIS certification and has a result the supply to DISCOMs was affected resulting in low demand. The stringent efficiency levels are also expected to consolidate the market; currently only 250-300 manufacturers have applied or obtained BIS certification out of the total industry size of 500 plus manufacturers. This is mainly because of unorganised manufacturers who were highly price competitive and majorly rely on use of sub-standard raw materials.


The demand from the manufacturing segment is still a major concern for the industry, the manufacturing sector is yet to see an investment uptick due to low capacity utilisation and this has led to slowdown in new as well as expansion projects. The slowdown in the manufacturing segment has a 'Domino' effect on the overall transformer industry – low power demand from the manufacturing segment is one of the major reasons for reducing peak power deficit in the country, excess power from the manufacturing sector is diverted to residential and agricultural sectors shortening power outages in these sectors. Unless power demand from manufacturing segment increases, the utilities will be not be very enthusiastic to spend on improving power availability or expanding the network. Hence, demand expansion in the core manufacturing sectors is very critical for the transformer industry.

Renewable energy sector projects, especially in the solar segment have witnessed a serious slowdown in projects after showing significant growth in 2015 and 2016. This has hampered spending on transmission projects resulting in delay in project approvals and project cancellations. In a recent move, Indian government imposed 70% safeguard duty on imported solar cells; this could increase the overall project cost and is further expected to impact growth in solar projects and will cause low spending in associated transmission projects.

Challenges always remain for quality manufacturers because MKT Realisation versus cost will always race with each other. The cost of manufacturing of quality transformers as per Level 3 is quite high (IS 1180 transformer almost costs double of IS 2026) so few competitors are finding nook and corners to sacrifice on materials to bag orders which ultimately does not serve the basic purpose that is to reduce distribution losses by supply highly efficient transformer. Government has to come forward and promote quality suppliers to permanently raise the health level of electrical network. It is worth mentioning here that more and more inefficient transformers in distribution circuit actually make the total T&D system paralysed because there are huge line losses on 24x7 basis totalling millions of Indian Rupees.

The immediate target for the transformers industry as well as the policy makers is to curb the losses associated with distribution transformer failure which is relatively higher in the Indian context compared to global benchmark. Additionally, the standardisation and improvement in efficiency of the transformers over a period of time is a parallel target which will add to overall efficiency gains and savings across the T&D grid operation. Transformers account for significant capital expenditure for the utilities. One of the key goals for the industry should be to

6


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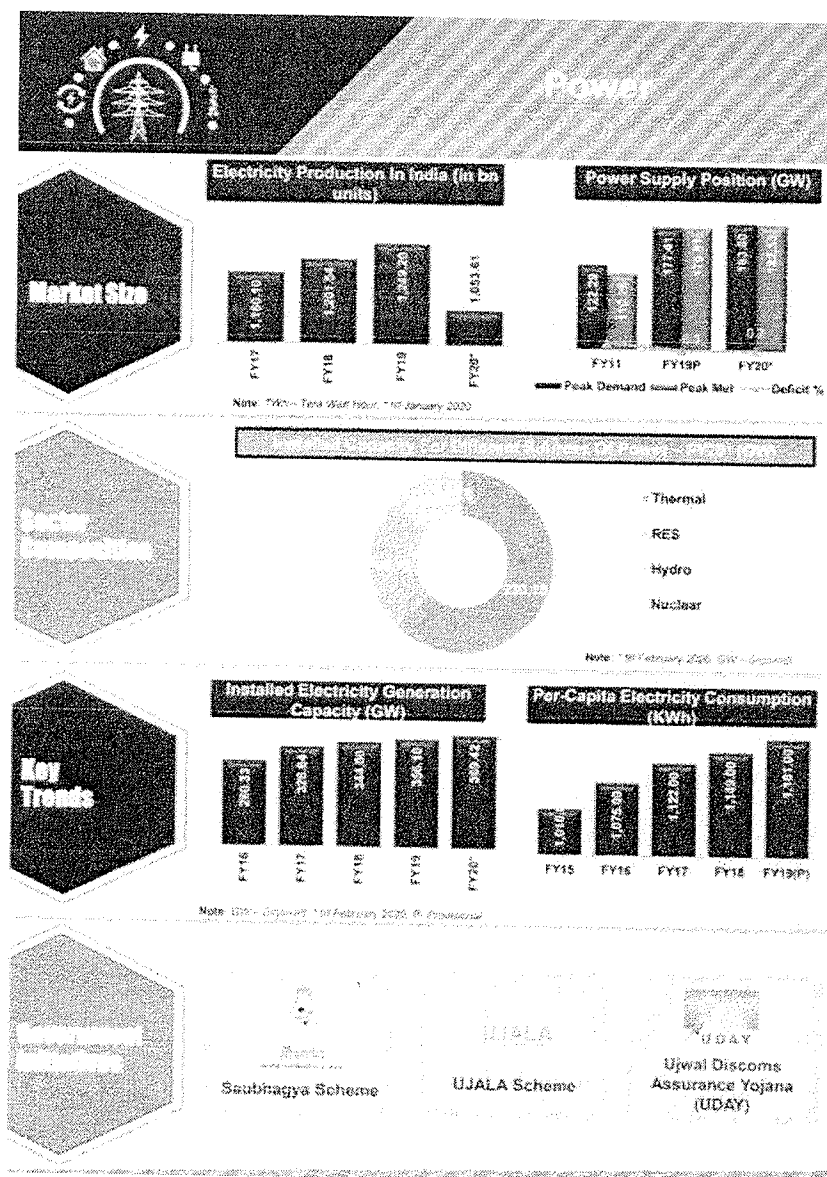
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gradually move from CAPEX based mindset to look at the transformer's total cost of ownership which in long run will benefit the utilities.

Some of the key targets can be consolidated as:

- To have economies of scale production for effective cost economics.
- Due to rise in usage of solar energy there is need for converter-invertor transformers and isolation transformers which can be targeted.
- Starting new plants for the manufacturing of power transformers at different geographic locations making both the availability and market more diversified thus reducing the dependence on an individual project or customer.



source: www.ibef.org

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Impact of COVID-19 Pandemic and Lockdown

Due to the COVID-19 pandemic led lockdown all over India from 25-Mar-2020 onwards, it was expected that the overall economy will take a major hit in its volumes but various sectors registered a huge dip not only in their sales volumes but also in the profitability margins for each sector. The lack of demand also got exacerbated because of the blockade of outgoing cargo ships from Indian ports as well as partial or full blockade on foreign ships at ports worldwide regardless of the continent (be it Europe, Asia, Africa or North & South America).

Although there is a renewed hope with the launch of Aatma-Nirbhar Campaign by Prime Minister of India and the boycott of Foreign products especially of Chinese products launched by Confederation of All India Traders, the growth in demand of Indian Economy especially the Electrical Power Appliances and related sectors is poised to be negative or bleakly positive with extremely slow growth.

All the above factors indicate that any power transformer manufacturing industry, regardless of the position in the supply chain, going for liquidation or sale for any other purpose will have an overall negative impact on its total value of plant and machinery. The impact may also be impacted largely on the geographic location of the facility as well as the goodwill, that the company has, in the market.

ABOUT COMPANY

M/s Muskaan Power Infrastructure Ltd (CIN: U31102PB2008PLC032418) was registered in Chandigarh as a non-Government Private Company on 17-Nov-2008 at the Address: Dhandari Kalan, Ludhiana-141014. It is not a listed company and its last Annual General Meeting was held on 30-Sep-2016. The Directors of the said company are: Mr Ravi Mahajan, Mr Neeraj Mahajan and Mr Malkit Singh.

Muskaan Power Infrastructure Ltd is engaged in manufacturing of Distribution and Power Transformers, Servo Voltage Stabilizers, Plating Rectifiers, Hydrogenation Rectifiers, Isolation Transformers, Ultra Isolation Transformers, HT Two-in-One Systems, Dry Type Transformers, HT Servo Voltage Stabilizers, Furnace Transformers, Variable Transformers, Compact Substations & Special Purpose Transformer under Muskaan's Brand. The Company has been awarded with ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 Certification from BIS on quality, infrastructure and entire products being manufactured. Their equipment is designed for producing high efficiency at lower costs with lesser payback period. They have a very strong customer base in India and export their products to more than 42 countries across the globe such as South Africa, Angola, Zambia, Ghana, Jordan, Iraq, UAE, Tanzania, Uganda, Burundi, Benin, Burkina Faso, Liberia, Madagascar, Kenya, Nigeria, Sudan, Myanmar, Saudi Arabia, Malawi, Congo, China, Singapore, Afghanistan, Nepal & Bangladesh, Malta, UK, Sweden, Hungary, Canada, Chile & Kingston etc. They have complete marketing offices/franchisees in all parts of India with company associates located at Abu Dhabi, Saudi Arabia, Tanzania, Kenya, Nigeria, South Africa, Mauritius, Jordan, Malawi, Zimbabwe, Zambia, Lebanon & Netherlands.

8



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Their customers include other T&D equipment manufacturer companies such as ABB, Alstom, BHEL, Bharat Bijlee, Siemens, Mahindra, C&S Electric, etc. Their stated focus is primarily on:

- Material Selection
- Manufacturing Process Static (Strength) and Dynamic (Growth) Performance
- Error Prevention instead of Error Correction

According to the management of the Company, they had entered a tripartite agreement with Denmark based Maersk Shipping Company which is known as Sunrise Inc wherein they had committed to ship a settled number of equipment in a stipulated period of time with Maersk being responsible for the shipment. At one point in time, as a result of unfortunate circumstances (or insincere intention of the transportation partner's team), the products shipped by the Company were not delivered in stipulated time to the end customer, as a result of which, all the due payments were not paid to the Company. That non-payment started getting accumulated over time contributing to accumulation of losses to the Company.

The Power Equipment Manufacturing Industry has unique challenges wherein it is a high working capital intensive as well as highly labour-intensive industry. Due to these challenges combined with other practical problems, such as that the customer does not pick up the ordered equipment even after the products are ready, further contributes to the accumulating losses in cash flow. Earlier, the warranty offered by such equipment manufacturers used to be 1-2 years but now the prevalent offer is 5 years, that too without any questions wherein the faulty equipment has to be brought back from the customer's location, serviced and delivered back to the customer's location at no or marginal cost.

The Company has mostly manual machinery, which in their opinion, is a conscious decision on their part because the demand in this sector is extremely irregular which would cause more losses if automatic machinery is installed. Due to all these above factors, many small & medium companies manufacturing power transmission and distribution equipment have either wrapped up their operations or are on the path of doing so – for example: Kalpataru, Jyoti, Lanco, Maha Shakti Energy, etc. Some big players such as Kirloskar have high-end machinery and large cash reserve due to which they are able to offer better quality, better service and provide main competition to small & medium companies such as the Company in question.

METHOD & APPROACH OF VALUATION (PLANT & MACHINERY)

- 1) Fixed Asset Register updated till the Date of Inspection was obtained from M/s Muskaan Power Infrastructure Ltd before the scheduled Inspection.
- 2) Inspection done of the plant to inspect, observe and click pictures of all installed plant & machinery and other fixed assets in order to ascertain the register provided and to assess the actual condition and residual life of each asset.

9


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- 3) Valuation of plant, machinery, equipment and vehicles has been assessed considering all or some of the following factors:
- purchase price
 - source of procurement
 - country of origin & cost of freight
 - erection & material consumed adjusted for inflation and obsolescence
 - date of installation, age & residual life
 - present condition of the asset
 - usage pattern & wear and tear
 - function and utility of asset in overall production process
 - obsolescence – technological, functional or economic
 - flexibility of use and above all,
 - prevailing industrial scenario, etc.
- 4) All data, observations, verifications, pictures and estimations have been presented in the form of a report.
- 5) The Useful Life of Electrical Equipment Manufacturing Machinery has been considered as 15 years from the Part C of Schedule II of The Companies Act 2013 in tandem with "Machinery other than continuous and specific" under Section IV (a) (i).
- 6) The Index of Inflation for Manufacturing of Machinery & Equipment was calculated on a monthly basis considering Jan-2005 as the base month, for this valuation, on the basis of the data downloaded from www.eaindustry.nic.in (The Office of the Economic Adviser, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, Government of India). Since the Index was not available prior to Apr-2012; the Index for Manufacturing of Industrial Machinery has been used from Jan-2005 till Mar-2012. The Final Index Tables calculated and used have been attached with this Report.

VALUATION – PLANT, MACHINERY, VEHICLES, EQUIPMENT & STOCK

All the **Plant & Machinery** installed in the Industry such as Annealing Furnace, Core Slitting Machine, Paper Covering Machine (Wire & Strip), Corrugation Panel Machine, Sand Blast Machine, Shot Blast Machine, Shearing Machine, Welding Sets, Drills, Winding Machines and Test Bench Set with Air-Conditioners, Computers, Printer, Pump and 3 Vehicles, etc were inspected during the plant visit and were found to be **NOT IN OPERATION**.

There was no Fixed Asset Register provided by the Company initially but, after special request, an year-wise itemised asset addition chart was provided on 03-Jul-2020. The Date of Acquisition was considered to be 01-Jan of the Calendar Year of the Acquisition mentioned. Based on the visual observation of the serviceable condition of the **Plant & Machinery**, the entire **Plant & Machinery** could be sold on as-is basis to a prospective buyer in a slump sale. However, in case the land, on which the building and the plant is installed, is liquidated separately; then the liquidation of **Plant & Machinery** could be tedious.

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First and foremost, the Replacement Cost New has been calculated by multiplying the Inflation Index Factor to the Cost of Acquisition. Thereafter, as per the Date and Cost of Acquisition specified in the Fixed Asset Register (attached – provided by Company); the Value of such Plant & Machinery has been evaluated following the Straight Line method of Depreciation. The rate of depreciation per annum has been calculated on the basis of the useful life and salvage value mentioned on the top of the Fixed Asset Register.

It is to be keenly noted that, as an assumption, the actual sale value on the basis of the actual weight on-the-spot @ prevalent local market rate of scrap sale/purchase may be lower than the itemised value estimated in this report. Therefore, in my opinion, it may be inferred (within the tolerable difference levels) that the overall realisable value of the total plant & machinery combined may not differ much from what has been estimated in this report, despite the possibility that the actual sale value of each item might differ individually.

Following the above calculation of the Depreciated Replacement Cost New, a combined Obsolescence Factor on account of functional, technological and economic obsolescence has been considered as 30% (especially due to the fact that the entire machinery has been non-operational for a considerable time period). In addition to the Obsolescence Factor, an extra Deduction Factor of 10% (20% for Not Working Items or Items in Poor Condition) has been considered on account of the Refurbishment, Servicing & Overhauling charges along with Taxes & Duties, thereby putting a total Deduction Factor of 40% (or 50% respectively) for the estimation of Fair Value.

After estimating Fair Value, a 30% factor has been deducted to determine the Realisable Value. The Realisable Value, unlike the Fair Value, is estimated on an ex-situ basis, therefore it does not include any Transportation, Installation or Consultancy expenses on account of which, an extra Deduction Factor of 10% has been considered, thereby putting a total Deduction Factor of 40% for the estimation of Realisable Value.

Total Realisable Value of **Plant & Machinery** = INR 67,45,417/-

Equipment: For **Equipment**, the Useful Life has been considered as 8 years from the Part C of Schedule II of The Companies Act 2013. The Approximate Date of Acquisition was provided by the Company Representative. Since there was no item for which the Original Cost of Acquisition or any Book Value from the Balance Sheet was found, all the assets have been valued by conducting market survey for their Current Replacement Cost New, as if I would purchase them new. As a result, on the basis of the Approximate Date of Acquisition (as assumed on the basis of information provided by the Liquidation Team), the Value of such Equipment has been evaluated following the Straight-Line method of Depreciation. The rate of depreciation per annum has been calculated on the basis of the useful life and salvage value mentioned on the top of the Fixed Asset Register.

Following the above calculation of the Depreciated Replacement Cost New, a combined Obsolescence Factor on account of functional, technological and economic obsolescence has been considered as 10% (especially due to

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the fact that the entire Equipment has been maintained in good condition during its operational years). After estimating Fair Value, the Liquidation factor has been deducted to determine the Realisable value.

Total Realisable Value of **Equipment** = INR 67,047/-

Vehicles: For the 3 Vehicles listed in the Tables, the last Motor Insurance Policy was obtained from the Company on the basis of which the Insured Declared Value was considered as the Cost of Acquisition and the Starting Date of that Insurance Policy was considered as the Date of Acquisition. The Vehicles have been evaluated using Straight Line method using 5 years as their useful lives.

For items such as **Office Equipment, Computers, Furniture-Fixture & Vehicle**, the Useful Life has been considered as 10 years from the Part C of Schedule II of The Companies Act 2013. Since there was no Date of Acquisition provided by the Liquidation Team, all the assets' Date of Acquisition has been assumed as 01-Apr-2012, except the Vehicles (for which the Date of Registration has been verified online).

Since there was no item for which the Original Cost of Acquisition or any Book Value from the Balance Sheet was found, all the assets have been valued by conducting market survey for their Current Replacement Cost New, as if I would purchase them new. As a result, on the basis of the Approximate Date of Acquisition (as assumed on the basis of information provided by the Liquidation Team), the Value of such Office Equipment, Computers, Furniture-Fixture & Vehicle has been evaluated following the Straight-Line method of Depreciation. The rate of depreciation per annum has been calculated on the basis of the useful life and salvage value mentioned on the top of the Fixed Asset Register.

Following the above calculation of the Depreciated Replacement Cost New, a combined Obsolescence Factor on account of functional, technological and economic obsolescence has been considered as 10% (especially due to the fact that the entire Office Equipment, Computers, Furniture-Fixture & Vehicle has been maintained in good condition during its operational years). After estimating Fair Value, the Liquidation factor has been deducted to determine the Realisable value.

Total Realisable Value of **Vehicle** = INR 3,05,023/-

Stock: All the Stock, as categorised into three categories namely Raw Material, Finished Goods (Domestic) and Finished Goods (Export) provided by the Company, was inspected in all respects namely Copper, CRGO, Metal Parts, Fittings, Tanks, Insulating Material, Copper/Aluminium Coils, Radiators, etc along with Transformers ready for dispatch. All the Stock has been evaluated at **AD-HOC basis** because of the basic fact that there is no steel material that could be sold as scrap. Furthermore, it is to be keenly noted that the resale value of any Inventory of such stock is usually more only from the perspective of those prospective buyers who are in the same business as the company being valued.




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As indicated by the pictures attached with this Report, the major portion of all the Stock was found to be in good condition, however, due to the basic principle of buying second-hand items in the open market, a Deduction Factor on Account of Second Hand Material (mentioned therein with the Tables) has been deducted from the Book Value to estimate the Fair Value, even though the entire Inventory could be completely useful for any prospective buyer in as-is position after minor cleaning. After estimating Fair Value, a Liquidation Factor (mentioned therein with the Tables) has been deducted further to estimate the Realisable Value. These factors have been considered because of the simple fact that it could be on the basis of piece-by-piece selection of the entire Inventory by multiple prospective buyers.

Total Realisable Value of Stock = INR 3,51,00,000/

VALUATION (PLANT, MACHINERY, VEHICLES, EQUIPMENT & STOCK) – CONCLUSION

Hence, in my opinion, as on 08-Jul-2020,

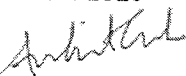
Total Realisable Value of Plant, Machinery, Vehicles, Equipment & Stock = INR 4,22,17,487/-
 ~ INR 4,22,17,000/-

Therefore, the Realisable Value (fraction and ex-situ) of the plant, machinery, vehicles, equipment & stock, with the above detailed conditions and specifications; in my opinion; is **Rupees Four crore Twenty Two lakhs Seventeen thousand only**. However, this Realisable Value may differ in actuality depending on the circumstances of the prospective buyer such as servicing, refurbishment, transportation and re-installation costs considering the prospective buyer's location and individual items' demand.

Certified Valuation Report

New Delhi, INDIA

11-Jul-2020



ANKIT GOEL

IBBI/RV/Q2/2018/10008

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Ankit Goel

Registered Valuer

Plant & Machinery

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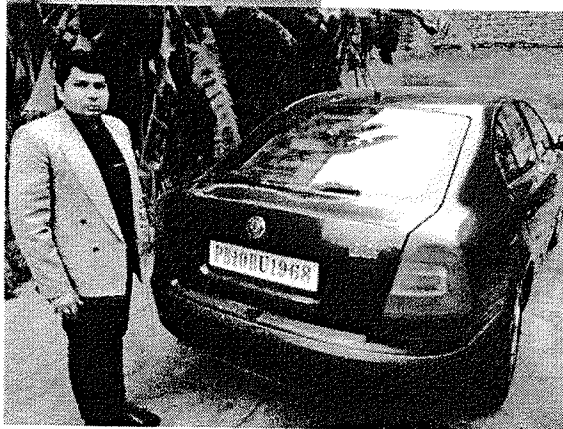
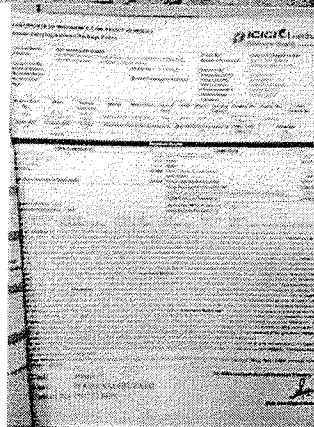
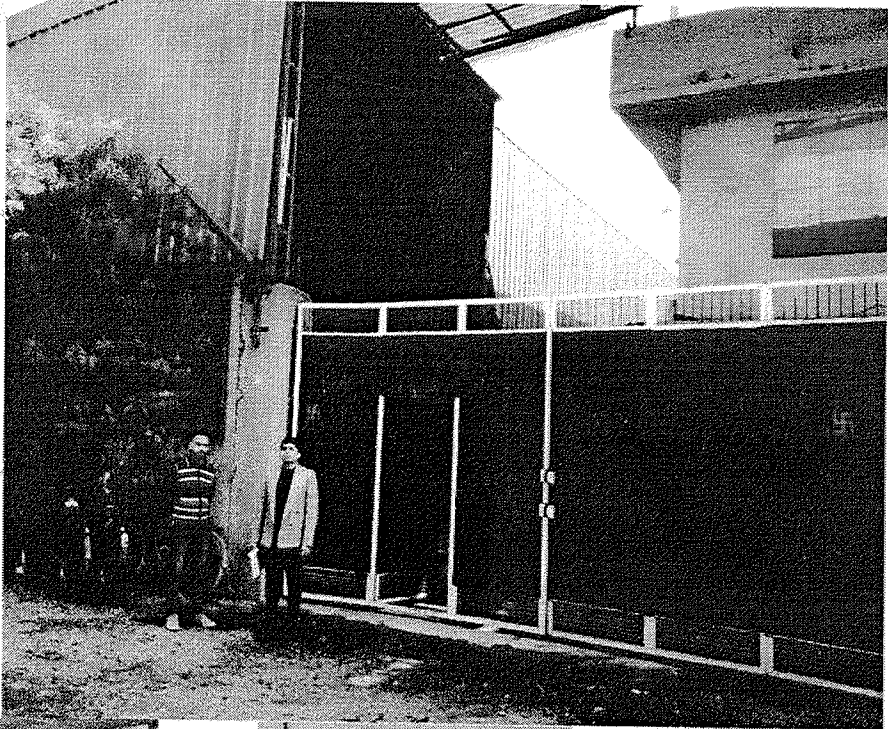
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EXHIBITS, PICTURES & TABLES

SUA ROAD, INDUSTRIAL AREA C, DHANDARI KALAN, LUDHIANA, PUNJAB
OUTSIDE MAIN GATE

30.852505, 75.917389



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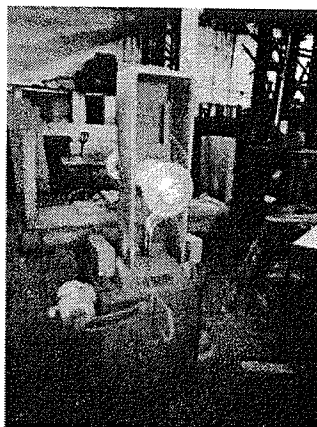
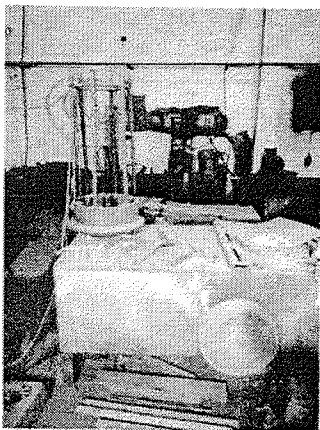
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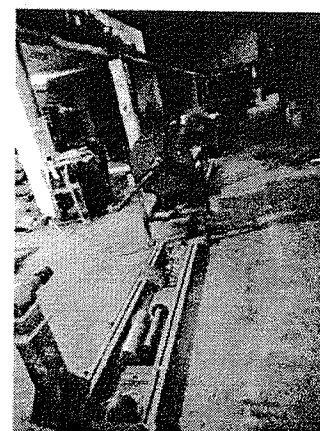
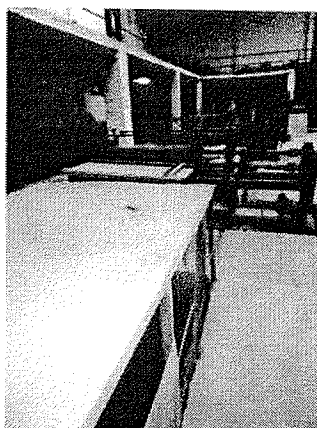
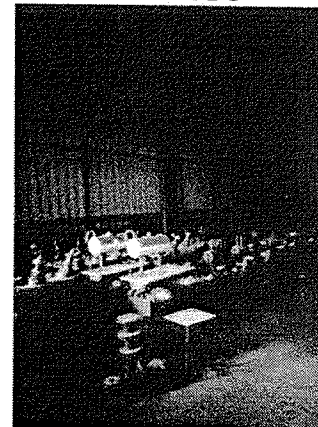
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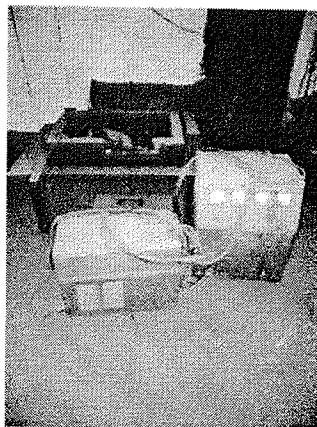
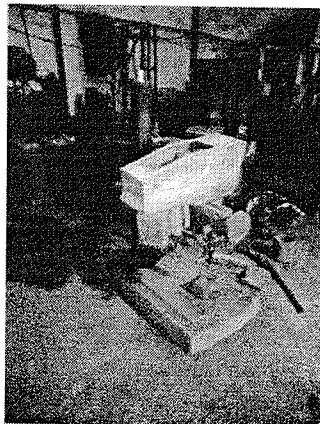
PICTURES



FINISHED GOODS



PAPER COVERING MACHINE (WIRE) 4 HEADS



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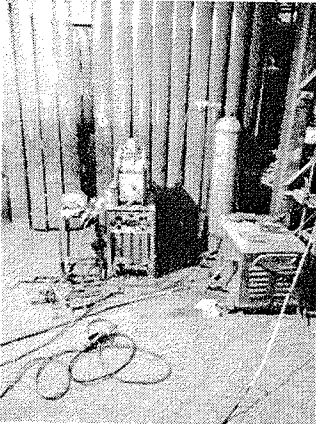
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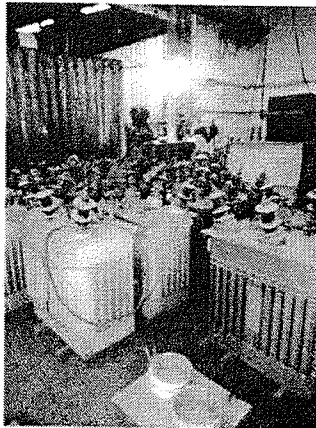
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ARC WELDING SETS (SMALL)



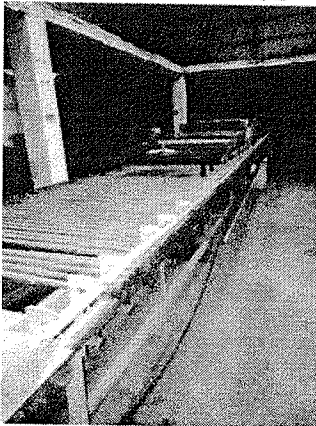
FINISHED GOODS



TEST BENCH FOR TRANSFORMERS



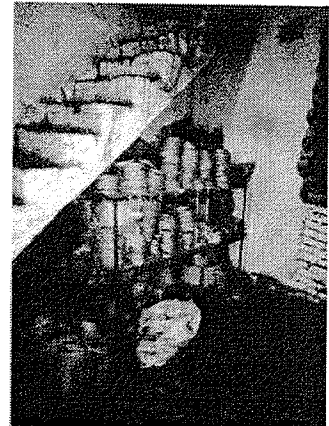
ANNEALING FURNACE



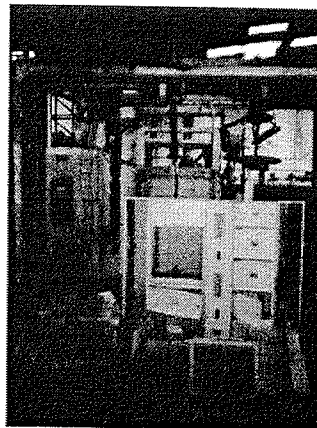
COILS



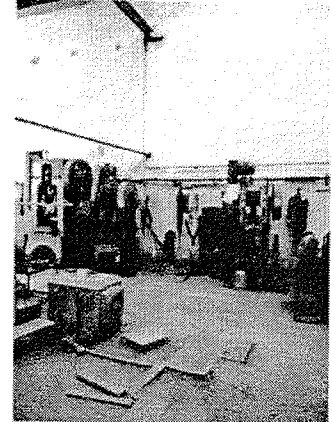
COILS



FITTINGS & ACCESSORIES



POWER PRESS (50 TON & 10 TON)



Ankit Goel

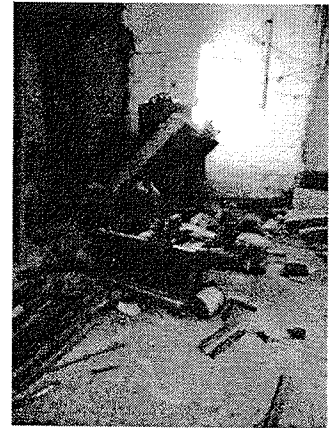
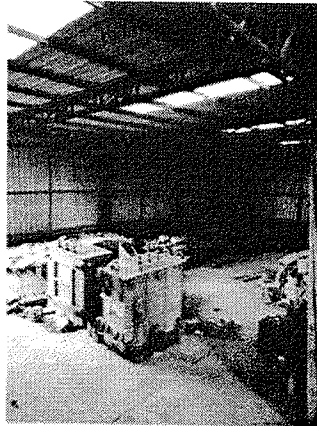
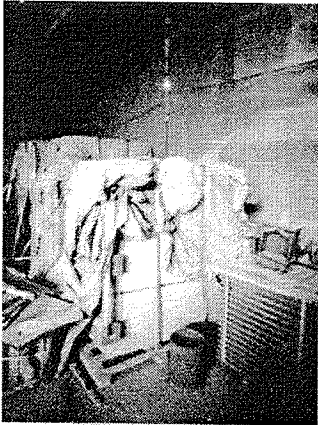
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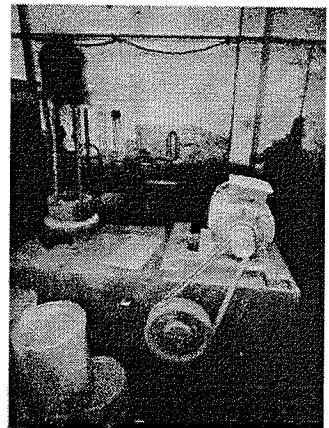
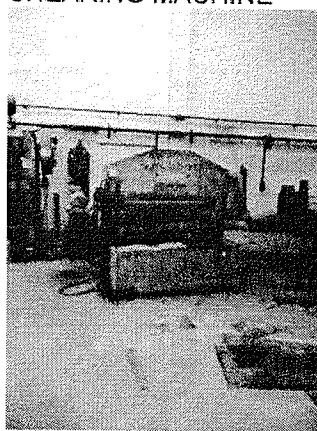
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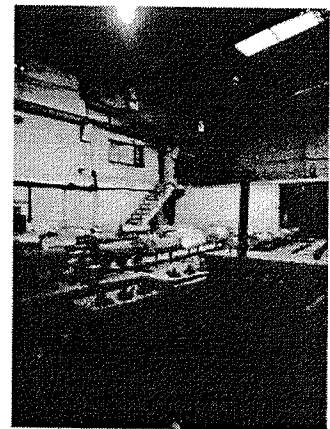
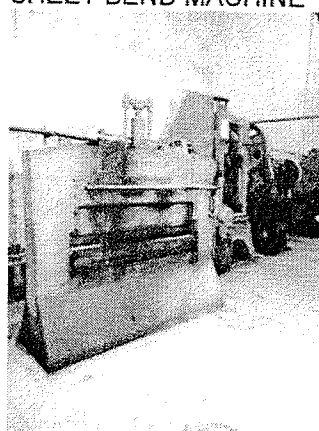


SAND BLAST MACHINE

SHEARING MACHINE



SHEET BEND MACHINE



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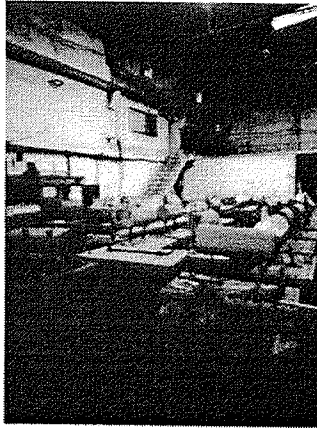
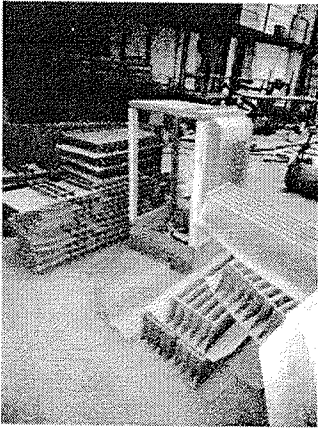
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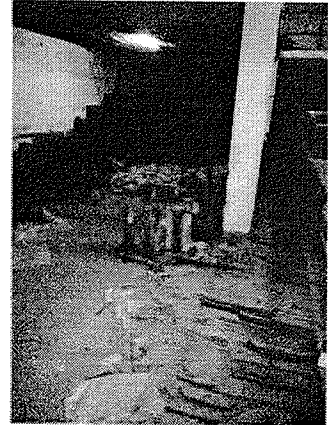
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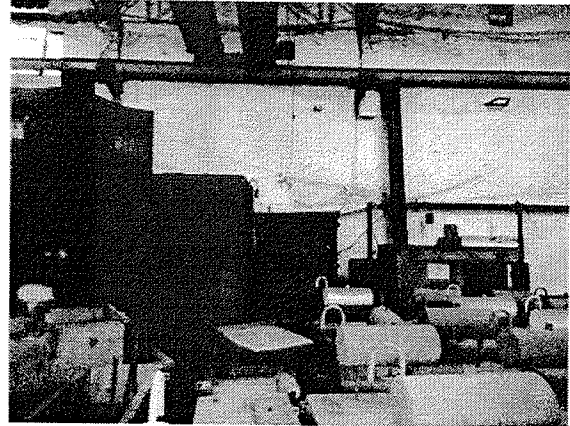
FINISHED GOODS



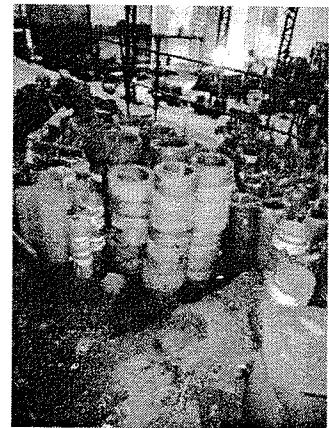
MISCELLANEOUS ITEMS



OIL STORE TANK




COILS



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M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-SUMMARY

S. NO.	Sub-Category	Realisable Value
1	PLANT-MACHINERY	₹ 67,45,417
2	EQUIPMENT	₹ 67,047
2	VEHICLE	₹ 3,05,023
3	STOCK	₹ 3,51,00,000
	TOTAL	₹ 4,22,17,487


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**M/s MUSKAAN POWER INFRASTRUCTURE LTD
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INDEX-MACHINERY**

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
Jan-05	1	2005	101.3	144.2	1.57
Feb-05	2	2005	100.8	144.2	1.58
Mar-05	3	2005	101.3	144.2	1.57
Apr-05	4	2005	105.6	144.2	1.51
May-05	5	2005	107.1	144.2	1.49
Jun-05	6	2005	107.0	144.2	1.49
Jul-05	7	2005	107.9	144.2	1.48
Aug-05	8	2005	108.3	144.2	1.47
Sep-05	9	2005	108.3	144.2	1.47
Oct-05	10	2005	108.4	144.2	1.47
Nov-05	11	2005	108.6	144.2	1.47
Dec-05	12	2005	108.7	144.2	1.47
Jan-06	1	2006	109.6	144.2	1.45
Feb-06	2	2006	109.6	144.2	1.45
Mar-06	3	2006	109.7	144.2	1.45
Apr-06	4	2006	113.5	144.2	1.40
May-06	5	2006	114.4	144.2	1.39
Jun-06	6	2006	116.5	144.2	1.37
Jul-06	7	2006	117.1	144.2	1.36
Aug-06	8	2006	116.5	144.2	1.37
Sep-06	9	2006	117.0	144.2	1.36
Oct-06	10	2006	117.1	144.2	1.36
Nov-06	11	2006	116.9	144.2	1.36
Dec-06	12	2006	117.0	144.2	1.36
Jan-07	1	2007	117.3	144.2	1.36
Feb-07	2	2007	117.7	144.2	1.35
Mar-07	3	2007	118.5	144.2	1.34
Apr-07	4	2007	121.7	144.2	1.31
May-07	5	2007	121.8	144.2	1.31
Jun-07	6	2007	121.8	144.2	1.31
Jul-07	7	2007	121.6	144.2	1.31
Aug-07	8	2007	122.0	144.2	1.31
Sep-07	9	2007	122.6	144.2	1.30
Oct-07	10	2007	122.8	144.2	1.30

**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-MACHINERY**

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
Nov-07	11	2007	122.8	144.2	1.30
Dec-07	12	2007	123.9	144.2	1.29
Jan-08	1	2008	124.6	144.2	1.28
Feb-08	2	2008	124.4	144.2	1.28
Mar-08	3	2008	125.7	144.2	1.27
Apr-08	4	2008	128.0	144.2	1.24
May-08	5	2008	129.0	144.2	1.23
Jun-08	6	2008	128.9	144.2	1.24
Jul-08	7	2008	129.2	144.2	1.23
Aug-08	8	2008	129.3	144.2	1.23
Sep-08	9	2008	129.6	144.2	1.23
Oct-08	10	2008	129.5	144.2	1.23
Nov-08	11	2008	129.7	144.2	1.23
Dec-08	12	2008	128.5	144.2	1.24
Jan-09	1	2009	130.1	144.2	1.22
Feb-09	2	2009	129.8	144.2	1.23
Mar-09	3	2009	130.0	144.2	1.23
Apr-09	4	2009	130.0	144.2	1.23
May-09	5	2009	129.9	144.2	1.23
Jun-09	6	2009	129.6	144.2	1.23
Jul-09	7	2009	129.7	144.2	1.23
Aug-09	8	2009	130.0	144.2	1.23
Sep-09	9	2009	130.2	144.2	1.22
Oct-09	10	2009	130.3	144.2	1.22
Nov-09	11	2009	129.7	144.2	1.23
Dec-09	12	2009	129.9	144.2	1.23
Jan-10	1	2010	131.8	144.2	1.21
Feb-10	2	2010	133.5	144.2	1.19
Mar-10	3	2010	135.6	144.2	1.17
Apr-10	4	2010	138.2	144.2	1.15
May-10	5	2010	137.7	144.2	1.16
Jun-10	6	2010	138.2	144.2	1.15
Jul-10	7	2010	138.6	144.2	1.15
Aug-10	8	2010	138.5	144.2	1.15

Page 2 of 6

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**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-MACHINERY**

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
Sep-10	9	2010	138.9	144.2	1.15
Oct-10	10	2010	138.7	144.2	1.15
Nov-10	11	2010	138.8	144.2	1.15
Dec-10	12	2010	139.4	144.2	1.14
Jan-11	1	2011	139.9	144.2	1.14
Feb-11	2	2011	140.3	144.2	1.14
Mar-11	3	2011	140.9	144.2	1.13
Apr-11	4	2011	141.4	144.2	1.13
May-11	5	2011	141.8	144.2	1.12
Jun-11	6	2011	141.9	144.2	1.12
Jul-11	7	2011	141.4	144.2	1.13
Aug-11	8	2011	142.0	144.2	1.12
Sep-11	9	2011	142.1	144.2	1.12
Oct-11	10	2011	142.2	144.2	1.12
Nov-11	11	2011	142.3	144.2	1.12
Dec-11	12	2011	142.4	144.2	1.12
Jan-12	1	2012	142.8	144.2	1.12
Feb-12	2	2012	143.6	144.2	1.11
Mar-12	3	2012	144.2	144.2	1.10
Apr-12	4	2012	102.2	112.9	1.10
May-12	5	2012	102.3	112.9	1.10
Jun-12	6	2012	103.2	112.9	1.09
Jul-12	7	2012	102.9	112.9	1.10
Aug-12	8	2012	103.2	112.9	1.09
Sep-12	9	2012	104.4	112.9	1.08
Oct-12	10	2012	104.4	112.9	1.08
Nov-12	11	2012	103.7	112.9	1.09
Dec-12	12	2012	103.1	112.9	1.10
Jan-13	1	2013	104.3	112.9	1.08
Feb-13	2	2013	104.6	112.9	1.08
Mar-13	3	2013	105.0	112.9	1.08
Apr-13	4	2013	105.9	112.9	1.07
May-13	5	2013	105.5	112.9	1.07
Jun-13	6	2013	104.8	112.9	1.08

M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-MACHINERY

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
Jul-13	7	2013	104.1	112.9	1.08
Aug-13	8	2013	105.1	112.9	1.07
Sep-13	9	2013	105.3	112.9	1.07
Oct-13	10	2013	105.8	112.9	1.07
Nov-13	11	2013	106.4	112.9	1.06
Dec-13	12	2013	106.4	112.9	1.06
Jan-14	1	2014	105.9	112.9	1.07
Feb-14	2	2014	106.9	112.9	1.06
Mar-14	3	2014	107.5	112.9	1.05
Apr-14	4	2014	107.9	112.9	1.05
May-14	5	2014	108.0	112.9	1.05
Jun-14	6	2014	108.2	112.9	1.04
Jul-14	7	2014	107.4	112.9	1.05
Aug-14	8	2014	107.2	112.9	1.05
Sep-14	9	2014	108.1	112.9	1.04
Oct-14	10	2014	108.3	112.9	1.04
Nov-14	11	2014	108.9	112.9	1.04
Dec-14	12	2014	108.1	112.9	1.04
Jan-15	1	2015	108.5	112.9	1.04
Feb-15	2	2015	109.5	112.9	1.03
Mar-15	3	2015	109.4	112.9	1.03
Apr-15	4	2015	108.9	112.9	1.04
May-15	5	2015	110.2	112.9	1.02
Jun-15	6	2015	111.1	112.9	1.02
Jul-15	7	2015	110.2	112.9	1.02
Aug-15	8	2015	109.6	112.9	1.03
Sep-15	9	2015	108.3	112.9	1.04
Oct-15	10	2015	109.4	112.9	1.03
Nov-15	11	2015	109.2	112.9	1.03
Dec-15	12	2015	109.0	112.9	1.04
Jan-16	1	2016	108.2	112.9	1.04
Feb-16	2	2016	108.1	112.9	1.04
Mar-16	3	2016	108.5	112.9	1.04
Apr-16	4	2016	107.8	112.9	1.05



**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-MACHINERY**

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
May-16	5	2016	107.7	112.9	1.05
Jun-16	6	2016	108.0	112.9	1.05
Jul-16	7	2016	107.8	112.9	1.05
Aug-16	8	2016	107.5	112.9	1.05
Sep-16	9	2016	107.4	112.9	1.05
Oct-16	10	2016	107.9	112.9	1.05
Nov-16	11	2016	107.5	112.9	1.05
Dec-16	12	2016	108.3	112.9	1.04
Jan-17	1	2017	108.1	112.9	1.04
Feb-17	2	2017	108.2	112.9	1.04
Mar-17	3	2017	108.3	112.9	1.04
Apr-17	4	2017	108.3	112.9	1.04
May-17	5	2017	108.1	112.9	1.04
Jun-17	6	2017	108.5	112.9	1.04
Jul-17	7	2017	107.9	112.9	1.05
Aug-17	8	2017	108.5	112.9	1.04
Sep-17	9	2017	108.5	112.9	1.04
Oct-17	10	2017	109.0	112.9	1.04
Nov-17	11	2017	109.3	112.9	1.03
Dec-17	12	2017	108.9	112.9	1.04
Jan-18	1	2018	110.0	112.9	1.03
Feb-18	2	2018	109.7	112.9	1.03
Mar-18	3	2018	109.9	112.9	1.03
Apr-18	4	2018	110.1	112.9	1.03
May-18	5	2018	109.9	112.9	1.03
Jun-18	6	2018	110.5	112.9	1.02
Jul-18	7	2018	110.9	112.9	1.02
Aug-18	8	2018	111.2	112.9	1.02
Sep-18	9	2018	111.6	112.9	1.01
Oct-18	10	2018	111.5	112.9	1.01
Nov-18	11	2018	111.9	112.9	1.01
Dec-18	12	2018	111.8	112.9	1.01
Jan-19	1	2019	111.8	112.9	1.01
Feb-19	2	2019	111.9	112.9	1.01

Page 5 of 6



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M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
INDEX-MACHINERY

INFLATION INDEX MONTH-WISE FROM JAN-2005 TILL JUL-2020					
Manufacture of Machinery & Equipment					
MONTH-YEAR	MONTH	YEAR			Index of Jul-2020 over
Mar-19	3	2019	112.3	112.9	1.01
Apr-19	4	2019	112.5	112.9	1.00
May-19	5	2019	112.9	112.9	1.00
Jun-19	6	2019	113.2	112.9	1.00
Jul-19	7	2019	113.2	112.9	1.00
Aug-19	8	2019	113.6	112.9	0.99
Sep-19	9	2019	113.6	112.9	0.99
Oct-19	10	2019	112.7	112.9	1.00
Nov-19	11	2019	112.8	112.9	1.00
Dec-19	12	2019	113.0	112.9	1.00
Jan-20	1	2020	113.2	112.9	1.00
Feb-20	2	2020	113.2	112.9	1.00
Mar-20	3	2020	113.3	112.9	1.00
Apr-20	4	2020	112.9	112.9	1.00
May-20	5	2020	112.9	112.9	1.00
Jun-20	6	2020	112.9	112.9	1.00
Jul-20	7	2020	112.9	112.9	1.00

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M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
PLANT-MACHINERY

Date of Valuation	05-Jul-20
Useful Life (in Years)	15
Salvage Value	10%
Rate of Depreciation (SLM)	6.00%
Obsolescence Factor for Functional, Technological & Economic Obsolescence	30%
Factor for Deduction for Refurbishment, Servicing & Overhauling (for Working Items)	10%
Factor for Deduction for Refurbishment, Servicing & Overhauling (for Not Working or Poor Condition Items)	20%
Factor for Deduction for Transportation, Installation & Consultancy Charges	10%
Factor for Liquidation	30%

Description of Assets	Quantity	Present Condition	Date of Acquisition	Cost of Acquisition	Inflation Index for Jul-2020	Replacement Cost New Value (Considering Inflation Price Index)	Depreciated Replacement Cost New	Fair Value (Considering Obsolescence & Deduction Factor)	Realisable Value (Considering Deduction & Liquidation Factor)
PLANT & MACHINERY									
Annealing furnace	1	Working but Poor Condition	01-Jan-13	₹ 15,00,000	1.08	₹ 16,23,682	₹ 9,41,735	₹ 4,70,868	₹ 2,82,521
Core slitting machine	1	Working but Poor Condition	01-Jan-13	₹ 15,00,000	1.08	₹ 16,23,682	₹ 9,41,735	₹ 4,70,868	₹ 2,82,521
Paper covering machine (WIRE) 4 heads	1	Working	01-Jan-12	₹ 50,000	1.12	₹ 55,776	₹ 29,004	₹ 17,402	₹ 10,441
Paper covering machine (STRIP)	1	Working	01-Jan-12	₹ 1,50,000	1.12	₹ 1,67,329	₹ 87,011	₹ 52,207	₹ 31,324
Corrugation Panel M/c. (1000MM)	1	Dismantled	01-Jan-07	₹ 10,00,000	1.36	₹ 13,58,033	₹ 2,98,767	₹ 1,49,384	₹ 89,630
	1	Working but Poor Condition							
Sand blast machine			01-Jan-07	₹ 1,00,000	1.36	₹ 1,35,803	₹ 29,877	₹ 14,938	₹ 8,963
Shot blast machine	1	Working	01-Jan-11	₹ 8,50,000	1.14	₹ 9,67,853	₹ 4,45,213	₹ 2,67,128	₹ 1,60,277

M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
PLANT-MACHINERY

Description of Assets	Quantity	Present Condition	Date of Acquisition	Cost of Acquisition	Inflation Index for Jul-2020	Replacement Cost New Value (Considering Inflation Price Index)	Depreciated Replacement Cost New	Fair Value (Considering Obsolescence & Deduction Factor)	Realisable Value (Considering Deduction & Liquidation Factor)
Power press 200/150/100/50/10/5Ton	6	Working	01-Jan-07	₹ 10,00,000	1.36	₹ 13,58,033	₹ 2,98,767	₹ 1,79,260	₹ 1,07,556
Shearing machine core	11	Working	01-Jan-05	₹ 5,00,000	1.57	₹ 7,86,265	₹ 78,626	₹ 47,176	₹ 28,306
ARC welding sets (Big)	2	Working	01-Jan-05	₹ 1,50,000	1.57	₹ 2,35,879	₹ 23,588	₹ 14,153	₹ 8,492
ARC welding sets (Big)	1	Not Working	01-Jan-05	₹ 1,50,000	1.57	₹ 2,35,879	₹ 23,588	₹ 11,794	₹ 7,076
ARC welding sets (Small)	2	Working	01-Jan-05	₹ 1,00,000	1.57	₹ 1,57,253	₹ 15,725	₹ 9,435	₹ 5,661
ARC welding sets (Small)	1	Not Working	01-Jan-05	₹ 1,00,000	1.57	₹ 1,57,253	₹ 15,725	₹ 7,863	₹ 4,718
Mig Welding M/c	1	Working	01-Jan-07	₹ 4,00,000	1.36	₹ 5,43,213	₹ 1,19,507	₹ 71,704	₹ 43,022
Mig Welding M/c	4	Not Working	01-Jan-07	₹ 4,00,000	1.36	₹ 5,43,213	₹ 1,19,507	₹ 59,753	₹ 35,852
Tig Welding M/c	2	Not Working	01-Jan-07	₹ 1,65,000	1.36	₹ 2,24,075	₹ 49,297	₹ 24,648	₹ 14,789
Hand drill	3	Working	01-Jan-08	₹ 15,000	1.28	₹ 19,177	₹ 5,370	₹ 3,222	₹ 1,933
Baking oven	2	Working	01-Jan-13	₹ 10,00,000	1.08	₹ 10,82,454	₹ 6,27,824	₹ 3,76,694	₹ 2,26,016
Circular grinder	3	Working	01-Jan-07	₹ 80,000	1.36	₹ 1,08,643	₹ 23,901	₹ 14,341	₹ 8,604
Hand tools	10	Working	01-Jan-07	₹ 50,000	1.36	₹ 67,902	₹ 14,938	₹ 8,963	₹ 5,378
Generator	2	Working	01-Jan-07	₹ 8,50,000	1.36	₹ 11,54,328	₹ 2,53,952	₹ 1,52,371	₹ 91,423
Pedestal Drill	2	Working	01-Jan-07	₹ 90,000	1.36	₹ 1,22,223	₹ 26,889	₹ 16,133	₹ 9,680
Radial Drill M/c	1	Working	01-Jan-07	₹ 45,000	1.36	₹ 61,111	₹ 13,445	₹ 8,067	₹ 4,840
Band saw Machine	2	Working	01-Jan-07	₹ 2,00,000	1.36	₹ 2,71,607	₹ 59,753	₹ 35,852	₹ 21,511
Channel/road/Angle cutter	1	Working	01-Jan-11	₹ 2,90,000	1.14	₹ 3,30,209	₹ 1,51,896	₹ 91,138	₹ 54,683
Channel/road/Angle cutter	1	Not Working	01-Jan-11	₹ 2,90,000	1.14	₹ 3,30,209	₹ 1,51,896	₹ 75,948	₹ 45,569
Sheet Bend Machine	1	Working	01-Jan-11	₹ 1,50,000	1.14	₹ 1,70,798	₹ 78,567	₹ 47,140	₹ 28,284
Conservator Bending Machine	1	Working	01-Jan-11	₹ 1,00,000	1.14	₹ 1,13,865	₹ 52,378	₹ 31,427	₹ 18,856
Over Head Crane (5 Ton)	1	Working	01-Jan-07	₹ 10,00,000	1.36	₹ 13,58,033	₹ 2,98,767	₹ 1,79,260	₹ 1,07,556
Over Head Crane (30 Ton)	1	Working	01-Jan-12	₹ 40,00,000	1.12	₹ 44,62,108	₹ 23,20,296	₹ 13,92,178	₹ 8,35,307
Oil Store Tank	3	Working	01-Jan-07	₹ 3,00,000	1.36	₹ 4,07,410	₹ 89,630	₹ 53,778	₹ 32,267
Oil filtration machine	1	Working	01-Jan-07	₹ 5,50,000	1.36	₹ 7,46,918	₹ 1,64,322	₹ 98,583	₹ 59,156
Grinders	1	Working	01-Jan-07	₹ 25,000	1.36	₹ 33,951	₹ 7,469	₹ 4,482	₹ 2,689
Gas cutters	2	Working	01-Jan-07	₹ 10,000	1.36	₹ 13,580	₹ 2,988	₹ 1,793	₹ 1,076
Air Comp. Unit	2	Working	01-Jan-07	₹ 3,00,000	1.36	₹ 4,07,410	₹ 89,630	₹ 53,778	₹ 32,267

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M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
PLANT-MACHINERY

Description of Assets	Quantity	Present Condition	Date of Acquisition	Cost of Acquisition	Inflation Index for Jul-2020	Replacement Cost New Value (Considering Inflation Price Index)	Depreciated Replacement Cost New	Fair Value (Considering Obsolescence & Deduction Factor)	Realisable Value (Considering Deduction & Liquidation Factor)
Air Comp. Unit	1	Not Working	01-Jan-07	₹ 3,00,000	1.36	₹ 4,07,410	₹ 89,630	₹ 44,815	₹ 26,889
Shearing machine	1	Working	01-Jan-07	₹ 8,50,000	1.36	₹ 11,54,328	₹ 2,53,952	₹ 1,52,371	₹ 91,423
Winding Machines HV	3	Working	01-Jan-07	₹ 3,00,000	1.36	₹ 4,07,410	₹ 89,630	₹ 53,778	₹ 32,267
Winding Machines HV	3	Not Working	01-Jan-07	₹ 3,00,000	1.36	₹ 4,07,410	₹ 89,630	₹ 44,815	₹ 26,889
Winding Machines LV	2	Working	01-Jan-07	₹ 1,50,000	1.36	₹ 2,03,705	₹ 44,815	₹ 26,889	₹ 16,133
Copper Drawing Machine. (Wire & Strip)	1	Working	01-Apr-12	₹ 1,50,00,000	1.10	₹ 1,65,70,450	₹ 86,16,634	₹ 51,69,980	₹ 31,01,988
TEST BENCH FOR TRANSFORMERS	1	Working	01-Jan-07	₹ 70,00,000	1.36	₹ 95,06,230	₹ 20,91,371	₹ 12,54,822	₹ 7,52,893
Control Panel (Part of Test Bench)	1	Working			0.00	₹ 0	₹ 0	₹ 0	₹ 0
Stabilizer for lab testing (Part of Test Bench)	1	Working			0.00	₹ 0	₹ 0	₹ 0	₹ 0
TOTAL				₹ 4,13,60,000		₹ 5,00,92,101	₹ 1,92,27,247	₹ 1,12,61,209	₹ 67,56,726


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**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
EQUIPMENT**

Date of Valuation 05-Jul-20
Useful Life (in Years) 8
Salvage Value 10%
Rate of Depreciation (SLM) 11.25%
Obsolescence Factor for Functional,
Technological & Economic Obsolescence 50%
Factor for Liquidation 30%

Description of Assets	Quantity	Date of Acquisition	Replacement Cost New (Unit)	Replacement Cost New (TOTAL)	Depreciated Replacement Cost New	Fair Value (Considering Obsolescence & Deduction Factor)	Realisable Value (Considering Deduction & Liquidation Factor)
<u>EQUIPMENT</u>							
Air-Conditioners (1 Window + 7 Split)	8	01-Jan-13	₹ 35,000	₹ 2,80,000	₹ 59,500	₹ 29,750	₹ 20,825
Computers	8	01-Jan-13	₹ 35,000	₹ 2,80,000	₹ 59,500	₹ 29,750	₹ 20,825
Printer - HP 1536 MFP Laserjet	1	01-Jan-13	₹ 25,000	₹ 25,000	₹ 5,313	₹ 2,656	₹ 1,859
Water Pump Motor	1	01-Jan-07	₹ 35,000	₹ 35,000	₹ 3,500	₹ 1,750	₹ 1,225
<u>FURNITURE</u>							
Furniture - LOT - Lump Sum	1	01-Jan-13	₹ 3,00,000	₹ 3,00,000	₹ 63,750	₹ 31,875	₹ 22,313
TOTAL			₹ 4,30,000		₹ 1,91,563	₹ 95,781	₹ 67,047

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ANKIT GOEL
IBBI/RV/Q2/2018/10008
REGISTERED VALUER PLANT & MACHINERY
10-A/7, Shakti Nagar, Delhi-110007 INDIA
91-9818495660 ankitgoel@gmail.com

**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
VEHICLE**

Date of Valuation 05-Jul-20
Useful Life (in Years) 10
Salvage Value 10%
Rate of Depreciation (SLM) 9.00%
Obsolescence Factor for Functional,
Technological & Economic Obsolescence 50%
Factor for Liquidation 30%

Description of Assets	Quantity	Date of Acquisition	Replacement Cost New (Unit)	Replacement Cost New (TOTAL)	Depreciated Replacement Cost New	Fair Value (Considering Obsolescence & Deduction Factor)	Realisable Value (Considering Deduction & Liquidation Factor)
VEHICLE							
ISUZU Pick-up Van - PB-10-ES-9670	1	30-Mar-15	₹ 6,02,490	₹ 6,02,490	₹ 3,61,494	₹ 1,80,747	₹ 1,26,523
Honda Civic - PB-10-CD-1968	1	23-Jun-15	₹ 4,50,000	₹ 4,50,000	₹ 2,70,000	₹ 1,35,000	₹ 94,500
Skoda Laura - PB-10-BU-1968	1	22-Jun-15	4,00,000	₹ 4,00,000	₹ 2,40,000	₹ 1,20,000	₹ 84,000
TOTAL			₹ 14,52,490		₹ 8,71,494	₹ 4,35,747	₹ 3,05,023

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[Signature]

**M/s MUSKAAN POWER INFRASTRUCTURE LTD
LUDHIANA (PUNJAB)
STOCK**

Date of Valuation 05-Jul-20
Deduction on Account of Second Hand Material 25%
Factor for Liquidation 25%

Assets Description	Quantity	Gross Block (on Date of Valuation)	Fair Value (Considering Deduction Factor)	Realisable Value (Considering Liquidation Factor)
<u>STOCK - RAW MATERIAL</u>				
Copper		₹ 46,00,000	₹ 34,50,000	₹ 25,87,500
CRGO		₹ 26,00,000	₹ 19,50,000	₹ 14,62,500
Metal Parts		₹ 30,00,000	₹ 22,50,000	₹ 16,87,500
Fittings & Accessories		₹ 60,00,000	₹ 45,00,000	₹ 33,75,000
Tanks Big		₹ 20,00,000	₹ 15,00,000	₹ 11,25,000
Insulating Material		₹ 28,00,000	₹ 21,00,000	₹ 15,75,000
Copper/Aluminium Coils		₹ 5,00,000	₹ 3,75,000	₹ 2,81,250
Radiators		₹ 90,00,000	₹ 67,50,000	₹ 50,62,500
Hardware & Accessories		₹ 9,00,000	₹ 6,75,000	₹ 5,06,250
Miscellaneous Items		₹ 24,00,000	₹ 18,00,000	₹ 13,50,000
Tap Changers		₹ 14,00,000	₹ 10,50,000	₹ 7,87,500
Tanks Export Small		₹ 18,00,000	₹ 13,50,000	₹ 10,12,500
Rating Plates SS		₹ 8,00,000	₹ 6,00,000	₹ 4,50,000
Loose Items		₹ 5,00,000	₹ 3,75,000	₹ 2,81,250
<u>STOCK - FINISHED GOODS - DOMESTIC</u>				
Transformer - 10 kVA	12.00	₹ 7,20,000	₹ 5,40,000	₹ 4,05,000
Transformer - 16 kVA	16.00	₹ 12,00,000	₹ 9,00,000	₹ 6,75,000
Transformer - 100 kVA	2.00	₹ 2,90,000	₹ 2,17,500	₹ 1,63,125
Transformer - 100 kVA FT	1.00	₹ 2,50,000	₹ 1,87,500	₹ 1,40,625
Transformer Panel	1.00	₹ 1,00,000	₹ 75,000	₹ 56,250
Transformer - 630 kVA	1.00	₹ 4,90,000	₹ 3,67,500	₹ 2,75,625
<u>STOCK - FINISHED GOODS - EXPORT</u>				
Transformer - 250 kVA	40.00	₹ 1,63,20,000	₹ 1,22,40,000	₹ 91,80,000
Transformer - 150 kVA	3.00	₹ 7,50,000	₹ 5,62,500	₹ 4,21,875
Transformer - 100 kVA	5.00	₹ 10,00,000	₹ 7,50,000	₹ 5,62,500
Transformer - 100 kVA	10.00	₹ 19,00,000	₹ 14,25,000	₹ 10,68,750
Transformer - 50 kVA	8.00	₹ 10,80,000	₹ 8,10,000	₹ 6,07,500
TOTAL		₹ 6,24,00,000	₹ 4,68,00,000	₹ 3,51,00,000

Ankit Goel
ANKIT GOEL

IBBI/RV/Q2/2018/10008

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ANKUSH GARG

REGISTERED VALUER

VALUATION REPORT
of
M/s MUSKAAN POWER
INFRASTRUCTURE LIMITED

(ENTERPRISE VALUE and
REALIZABLE VALUE
OF FINANCIAL ASSETS)

15-July-2020

ANKUSH GARG

Registered Valuer

Securities or Financial Assets

IBBI/RV/02/2018/10010

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ankush@mrgargassociates.com



ANKUSH GARG

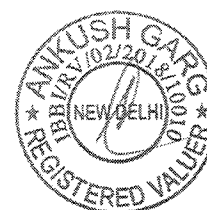
REGISTERED VALUER

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS	3
PURPOSE & SCOPE OF VALUATION	4
ACKNOWLEDGEMENTS	4
ABOUT COMPANY	4
METHOD & APPROACH OF VALUATION	5
VALUATION – FINANCIAL ASSETS	8
COMPUTATION OF ENTERPRISE VALUE	16
VALUATION– CONCLUSION	17

EXECUTIVE SUMMARY

Company Name	M/s Muskaan Power Infrastructure Limited
Company Type	Public Limited
Date of Work Order	02-07-2020
Date of Receiving the Last Essential Documents	13-07-2020
Date of Report	15-07-2020
VRN Number	IOV/2020-2021/214
Realizable Value (Financial Assets)	Rs. 808,000
Enterprise Value of the Company	Rs. 11,660,000



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REGISTERED VALUER

ASSUMPTIONS, DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS

The value(s) set forth in this Valuation Report is subject to the following Limiting Conditions:

- 1) No Responsibility is to be assumed for matters legal in nature, nor is any opinion of title rendered by this Report. A Valuation is linked to a purpose and time. Therefore, this valuation is only valid for purpose and conditions mentioned in the report.
- 2) This valuation is based on the information and documents provided by the Client or the Client's Representative as on valuation date and has been assumed to be correct. The facts such as ownership, specifications and age have been taken from sources assumed to be correct. However, no responsibility is assumed in case false information and/or false documentation has been furnished to the Valuer. Further, the report shall be invalid in case any additional information or document is available in future.
- 3) The Valuer, by reasons of this Report, is not required to give testimony in Court, with reference to the appraised assets unless arrangements for such contingency have been previously agreed upon.
- 4) Possession of any copy of this Report does not carry with it the right of publication, nor may be used for any purpose by any one, except the addressee or the property owner without the prior written consent of the Valuer, and in any event, only may be revealed in its entirety.
- 5) Any special assumptions made have been mentioned elsewhere in the text of this Report.
- 6) The maximum aggregate liability to any involved parties arising from, or in relation to, this valuation report howsoever arising shall not in any circumstances exceed the professional fee payable to the undersigned Valuer for this Valuation.
- 7) Valuation is based on estimates of future financial performance or opinions or estimates that represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit or realisation will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved in future will vary from these estimates and these variations may be material. We express no opinion as to how closely the actual results will correspond to the results projected.
- 8) Valuation by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions. There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness.



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REGISTERED VALUER

PURPOSE & SCOPE OF VALUATION

The undersigned Valuer has been appointed by Liquidator for M/s Muskaan Power Infrastructure Limited Mr. Jaesh Kumar Grover (IP Reg. No. – IBBI / IPA-001 / IP-P00200/2017-2018/10390) vide appointment letter dated 02-Jul-2020 for the purpose of assessment of realizable value of all financial assets and enterprise value of M/s Muskaan Power Infrastructure Limited. For enterprise value, valuation of land & building and plant & machinery has been computed by IBBI registered valuers as detailed below:

- 1) Land & Building – Mr. Sachin Goel (IBBI Registration Number: IBBI/RV/02/2018/10002)
- 2) Plant & Machinery – Mr. Ankit Goel (IBBI Registration Number: IBBI/RV/02/2018/10008)

The respective valuers were appointed directly by the Liquidator of the Company and signed valuation reports were shared with us for computation of enterprise value.

ACKNOWLEDGEMENTS

We express our sincere thanks to Liquidator Mr. Jaesh Kumar Grover and his team for providing all the information possible from their records.

ABOUT COMPANY

M/s Muskaan Power Infrastructure Limited (CIN: U31102PB2008PLC032418) is registered in Chandigarh as a non-Government Public Company on 17-Nov-2008 at the Address: Dhandari Kalan, Ludhiana, Punjab 141014. It is an unlisted company and its last Annual General Meeting was held on 30-Sep-2016. Following are the directors of the said company:

DIN/PAN	Name
01489755	Ravi Mahajan
01489990	Neeraj Mahajan
07564240	Malkit Singh

The Company has authorized capital of Rs. 35,000,000 and paid up capital of Rs. 28,725,000.

(Source: www.mca.gov.in)



(Signature)

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REGISTERED VALUER

METHOD & APPROACH OF VALUATION

PREAMBLE

This report has been prepared in accordance with the regulation 35 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

BASIS OF VALUATION

This valuation exercise included valuation of financial assets based on the unaudited records, account statements and other written or verbal information shared by the Company.

DEFINITION OF LIQUIDATION VALUE

As per IBC, 2016, liquidation value is defined as "the estimated realizable value of the assets of the corporate debtor if the corporate debtor were to be liquidated on the insolvency commencement date". Also, as per the definition provided in International Valuation Standards (IVS), "Liquidation Value" is defined as the amount that would be realized when an asset or group of assets are sold on 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".

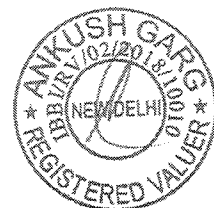
Liquidation value of assets also sometimes refers to the amount at which individual assets comprising the enterprise or the entire assets of the enterprise could be sold under condition of liquidation to a willing buyer. A liquidation value is assigned to a business being sold in order to satisfy its creditors. Liquidation Value differs from Going-concern value primarily because an on-going operation has the ability to continue to earn profit, while a liquidated company/asset does not.

DEFINITION OF ENTERPRISE VALUE

As per valuation standards issued by ICAI, enterprise value is defined as "the value attributable to the equity shareholders plus the value of debt and debt like items, minority interest, preference share less the amount of non-operating cash and cash equivalents".

PECUNIARY INTEREST DECLARATION

The Valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard. The Valuer strictly follows the code of conduct of the Registered Valuer Organization and Insolvency & Bankruptcy Board of India.



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REGISTERED VALUER

VALUATION METHODOLOGIES

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

The following are some of the instances where a valuer applies the market approach:

- (a) where the asset to be valued or a comparable or identical asset is traded in the active market;
- (b) there is a recent, orderly transaction in the asset to be valued; or
- (c) there are recent comparable orderly transactions in identical or comparable asset(s) and information for the same is available and reliable.

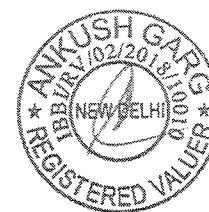
Cost Approach

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

In certain situations, historical cost of the asset may be considered by the valuer where it has been prescribed by the applicable regulations/law/guidelines or is appropriate considering the nature of the asset.

Examples of situations where a valuer applies the cost approach are:

- (a) an asset can be quickly recreated with substantially the same utility as the asset to be valued;
- (b) in case where liquidation value is to be determined; or
- (c) income approach and/or market approach cannot be used



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Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

This approach involves discounting future amounts (cash flows/income/cost savings) to a single present value.

The following are some of the instances where a valuer applies the income approach:

- (a) where the asset does not have any market comparable or comparable transaction;
- (b) where the asset has fewer relevant market comparables; or
- (c) where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.



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REGISTERED VALUER

VALUATION – FINANCIAL ASSETS

The company has provided us with unaudited financial statements as at 31 March 2020 and we have relied upon the same to determine the financial assets of the Company. Compliance with International Valuation Standards has been ensured while preparing this report.

The table below illustrates the book value and realizable value of each of the financial assets.

(Amounts in INR)

Sl. No.	Particulars	Book Value	Realizable Value
1	Long Term Loan and Advances	583,110	-
2	Other non-current assets	37,050	-
3	Deferred Tax Asset	3,258,631	-
4	Trade Receivables	23,463,190	-
5	Cash and Bank	4,212,791	148,008
6	Intangible Assets	950,020	-
7	Assets recoverable in cash or kind	57,020,496	660,000
	Total	89,525,288	808,008

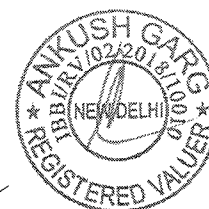
Long Term Loans and Advances

Long Term Loans and Advances as per books as on 31-Mar-2020 are as follows:

(Amounts in INR)

S. No.	Particulars	Book Value	Realizable Value
1	Electricity Deposit	573,110	-
2	Telephone Deposit	10,000	-
	Total	583,110	-

Party wise details, nature, ageing and agreements for security deposits were requested from the company. Balance confirmation, agreements or any document evidencing the recoverability of these accounts was not provided to us. All the balances are more than 24 months old. Further, deposits are generally adjusted against outstanding dues of the vendors. Considering the same realizable value of these deposits has been considered as NIL.



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Other Non-Current Assets

Other Non-Current Assets as per unaudited financial statements as on 31-Mar-2020 represent unamortized preliminary expenses of the company. It is merely a book entry of deferred expenses and has no realizable value.

Deferred Tax Asset

As per accounting standards, deferred tax assets are recognized when there is virtual certainty that the company would be able to generate profits and future tax liabilities could be adjusted against the brought forward losses. It is merely a book entry and is not represented by any real asset. Hence realizable value has been considered as NIL.

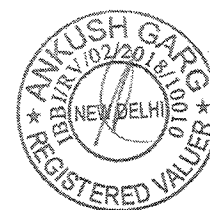
Trade Receivables

We had requested the management to substantiate and provide us with supporting documents such as list of debtors, ageing schedule, commentary, bifurcation of related parties, account statements and balance confirmations for the outstanding debtors. However except for ageing, no other document was available. Further, all the balances are more than 365 days old as on 31 March 2020. Considering the above circumstances realizable value of trade receivable has been considered as NIL.

As per unaudited financial statements on 31-March-2020 provided to us, Trade Receivables are as follows:

(Amounts in INR)

S No.	Particulars	Ageing	Book Value	Realizable Value
1	A2Z INFRA ENGINEERING LIMITED	> 365 days	33,700	-
2	ABB Limited	> 365 days	5,290,351	-
3	AD-Well Advertising & Marketing	> 365 days	36,300	-
4	AMIT SINGH & SONS	> 365 days	3,000	-
5	Assam Electronics Development Corporation Ltd	> 365 days	14,700	-
6	CENTRAL ELECTRICITY BOARD	> 365 days	5,145,790	-
7	COMFORT INSTA-POWER LTD.	> 365 days	121,500	-
8	COTTON COUNTY RETAIL LIMITED	> 365 days	1,740	-
9	DADA MOTORS PVT.LTD.	> 365 days	251,245	-
10	Dr. LINNFIELD LABORATORIES	> 365 days	245,000	-
11	GRAND MARIAN HOTELS PVT LTD	> 365 days	2,200	-
12	Haryana Distillery Ltd	> 365 days	5,900	-
13	HINDOSTAN EXPO	> 365 days	17,700	-
14	Hitech Corporaion Limited	> 365 days	6,960	-



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15	HPCL MITTAL ENERGY LIMITED	> 365 days	289,000	-
16	HUGHES SYSTIQUE PVT. LTD	> 365 days	7,500	-
17	IRCON INTERNATIONAL LTD.	> 365 days	1,800,000	-
18	Joy Steels Pvt Ltd (Ludhiana)	> 365 days	651,015	-
19	JVR ENTERPRISES	> 365 days	129,800	-
20	KARTARPUR AGROTECH	> 365 days	4,450	-
21	K.D. & COMPAANY	> 365 days	869,588	-
22	K.D ENGINEERS	> 365 days	566,705	-
23	LARSEN & TOUBRO LIMITED	> 365 days	669,298	-
24	LAXMI PHARMA PACK	> 365 days	32,642	-
25	MODERN DOORDEVICES	> 365 days	116,400	-
26	MUNICIPAL CORPORATION (NANGAL)	> 365 days	484,467	-
27	NAINI TISSUES LIMITED	> 365 days	5,310	-
28	Namita Electro Traders (Ludhiana)	> 365 days	8,461	-
29	NARAYANI PLASTIC UDYOG PVT. LTD	> 365 days	108,288	-
30	NEELKANTH PRECISION TOOLS	> 365 days	762,164	-
31	NEELKANTH STEELS	> 365 days	120,849	-
32	PANKAJ KUMAR @	> 365 days	1,107	-
33	PARAM EXIM LTD	> 365 days	100,000	-
34	Pearl Drinks Limited	> 365 days	5,900	-
35	PUNJAB STATE ELECTRICITY BOARD	> 365 days	1,534,423	-
36	PUNJAB STATE POWER CORPORATION LTD	> 365 days	664,456	-
37	RAHUL SINGH & SONS	> 365 days	5,000	-
38	RELIANCE INDUSTRIES LIMITED	> 365 days	579,454	-
39	RELIANCE RETAIL LIMITED.	> 365 days	35,532	-
40	ROKADE FOODHUB & HOSPITALITY	> 365 days	150,000	-
41	RUDRA AUTO TECH ENGG. PVT. LTD.	> 365 days	31,764	-
42	SAFEXPRESS PVT LTD.	> 365 days	22,744	-
43	SANSTAR LIMITED	> 365 days	144,400	-
44	SAURASHTRA CEMENT LIMITED	> 365 days	442,984	-
45	SHIVA TRADERS	> 365 days	70,800	-
46	SHREE MARUTI COURIER SERVICE PVT. LTD.	> 365 days	2,830	-
47	Shyam Indus Power Solutions Pvt.Ltd.	> 365 days	126,054	-
48	SIEMENS LTD. (GOA) SWB WORKS	> 365 days	32,977	-
49	SITE INCHARGE, BHEL SITE OFFICE	> 365 days	736,073	-
50	SKYWAY STEEL INDUSTRIES	> 365 days	1,770	-




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51	SOLVEX OILS & FOODS	> 365 days	229,500	-
52	S.R. IMPEX LTD	> 365 days	410,156	-
53	TII Techno Testing Instruments Pvt Ltd	> 365 days	450	-
54	TRIDENT LIMITED- P&C	> 365 days	53,074	-
55	TRIDENT LIMITED - YARN	> 365 days	1,830	-
56	WAL-MART INDIA PVT.LIMITED	> 365 days	5,900	-
57	WINDSOR INDUSTRIES PVT LIMIED	> 365 days	2,950	-
58	WINTEC POLYMER PVT. LTD.	> 365 days	190,000	-
59	YM POWER SUPPLIES AND CONTRACTORS LTD.	> 365 days	79,040	-
			23,463,190	-

Cash & Cash Equivalents

Cash & Cash equivalents as on 31-Mar-2020 are as follows:

(Amounts in INR)

S No.	Particulars	Book Value	Realizable Value
1	Balance in Current Accounts	121,099	148,008
2	FDR SBI	3,219,545	-
3	FDR Intt (Receivable A/c)	757,948	-
4	Cash in Hand	114,200	-
	Total	4,212,791	148,008

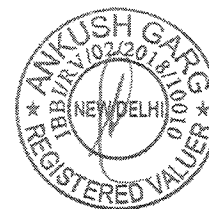
The realizable value of bank balances is determined on the basis of latest bank statements shared with us. We have been shared the bank statements of balance with "State Bank of India" only. Other banks as informed are not operative and have nil balance.

FDR with SBI and its interest receivable totalling Rs. 39.77 Lakhs as informed will be settled directly by SBI against its debt outstanding according to the scheme of compromise. Consequently, realizable value has been considered as NIL.

Cash in hand as confirmed is already utilised for expenses.

Intangible Assets

Intangible assets of the Company mainly comprise of Goodwill which have no realizable value considering the Company is already in liquidation.



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REGISTERED VALUER

Assets recoverable in cash or kind

It comprise of following assets as per books of accounts:

(Amounts in INR)

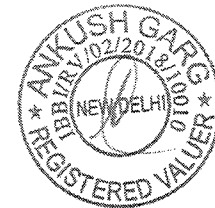
S. No.	Particulars	Book Value	Realizable Value
1	Duties and taxes recoverable	8,646,155	-
2	Security & Deposits	1,140,350	660,000
3	Advances To Suppliers	44,043,982	-
4	Other Advances	3,190,009	-
Total		57,020,496	660,000

Duties and Taxes Recoverable

(Amounts in INR)

S. No.	Particulars	Book Value	Realizable Value
1	Excise Duty	156,138	-
2	Excise Duty Yet to be taken in Register	325,961	-
3	Service Tax Receivable	123,715	-
4	TDS Receivable 15-16	75,286	-
5	TDS Receivable	99,400	-
6	TDS Receivable 19-20	45,305	-
7	VAT Receivable	5,104,366	-
8	Krishi Kalyan Cess @0.5% Receivable	3,645	-
9	Export Incentive Receivable	677,482	-
10	Labour Welfare Fund (Worker)	7,147	-
11	TDS Recoverable	2,027,710	-
Total		8,646,155	-

All the balances are more than 2 years old. We were not provided with any document which could substantiate the recovery of these balances from authorities. Without documentary evidences, recovery of these balances from various government departments is not probable. Further, there is corresponding income tax dues payable as per balance sheet. Accordingly, realizable value of these balances has been considered as NIL.



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Security Deposits

(Amounts in INR)

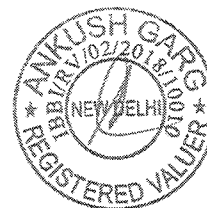
S. No.	Particulars	Book Value	Realizable Value
1	CST Deposit	4,074	-
2	Earnest Money with PSEB	1,100,000	660,000
3	Tender Earnest Money	36,276	-
Total		1,140,350	660,000

Party wise details, nature, ageing and agreements for security deposits were requested from the company. Balance confirmation, agreements or any other document evidencing the recoverability of these accounts was not provided to us. All the balances are more than 2 years old. Latest electricity bill and deposit receipt was shared for balance with PSEB. Realizable value has been determined accordingly.

Advances to Suppliers

(Amounts in INR)

S. No.	Particulars	Book Value	Realizable Value
1	Abb India Limited	71,250	-
2	Amd E Value Consultancy Services	103,700	-
3	Apar Industries Limited	34,190	-
4	Gobind Enterprises	100,000	-
5	Harjinder Singh	16,572	-
6	J.K. Entrprises	4,666	-
7	Joy Steels Pvt.Ltd.	823,769	-
8	Mahindra Steel Service Centre Ltd	18,580	-
9	Migiani & Associates	10,000	-
10	Neuteck Associates	462,956	-
11	Nirmal Singh & Bros	13,000	-
12	Nutech Engineers (Purchase)	204,817	-
13	Posco India Delhi Steel Processing Center Pvt Ltd.	26,191	-
14	Power Up Electricals	3,687	-
15	Punjab Smallinds. & Export Corpn. Limited	385,185	-
16	Quadrant Televentures Ltd	2,264	-
17	R G Wires Pvt Ltd	31,948	-
18	Shree Balaji Steel Industry	4,297	-
19	Trimurti Logistiks	36,914	-
20	Ak Security & Placement Services	160,400	-

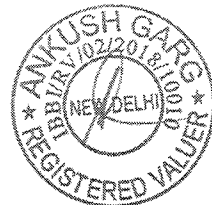



ANKUSH GARG

REGISTERED VALUER

21	Ascent India Inc	12,750	-
22	Asian Power	600	-
23	Avtec Ltd.	65,856	-
24	Container Corporation Of India Ltd.	170	-
25	Excel Automation	15,000	-
26	Gateway Rail Freight Ltd.	34,362	-
27	Idea Cellular Limited No.100044330241	338	-
28	Jaikara Inc	26,200	-
29	Konexionz	20,712	-
30	Krishna Automobiles	30,679	-
31	Modern Colours Pvt Ltd.	1,881	-
32	Nitcon Ltd	120,000	-
33	Onkar Engineers Pro. Parampreet	31,506	-
34	Rci Industries & Technologies Ltd	38,917	-
35	Shivaji Traders	245,123	-
36	Chain Ricksha	840	-
37	Km Papers	498,000	-
38	Sbc - Rapid Jv	72,000	-
39	Shapoorji Pallonji And Company Pvt. Ltd.	1,888	-
40	Strong Tower Infrastructure	326,782	-
41	Suspense	39,968,455	-
42	Yahimmulla Warsi	17,537	-
Total		44,043,982	-

We had requested the management to provide us the ageing, nature, comments, agreements, account statements and balance confirmations of these accounts. Balance confirmation, account statements and agreements evidencing the recoverability of these accounts are not available. Out of total balance, Rs. 39,968,455 pertains to "Suspense Account" which is merely a book entry to balance out trial balance. Further, most of the balances are more than 2 years old. Accordingly, realizable value has been considered as NIL.



/s/

ANKUSH GARG

REGISTERED VALUER

Other Advances

(Amounts in INR)

S. No.	Particulars	Book Value	Realizable Value
1	Loan to Employees	53,000	-
2	Legal Expense Recoverable	247,270	-
3	Stock of Printing & Stationery	10,000	-
4	Parminder Singh	3,300	-
5	Kotak Mahindra Credit Card-3642	1,000	-
6	Sanjeev Sharma & Associates	11,806	-
7	Arun Kanwal	15,000	-
8	Japan Singh	10,000	-
9	Advances Salary	8,000	-
10	Gurbinder Singh	2,500,000	-
11	Travelling Imprest	6,180	-
12	Tax Imprest	118,804	-
13	Suspense A/c Axis	205,649	-
Total		3,190,009	-

We had requested the management to provide us the ageing, nature, comments, agreements, account statements and balance confirmations of these accounts. Balance confirmation, account statements and agreements evidencing the recoverability of these accounts are not available. Further, most of the balances are more than 2 years old. Hence, realizable value has been considered as NIL.



(Signature)

ANKUSH GARG

REGISTERED VALUER

COMPUTATION OF ENTERPRISE VALUE

Particulars	Amount	Remarks
Realizable Value of Land and Building	27,088,000	As per Land & Building valuer's report annexed.
Realizable Value of Plant and Machinery	42,217,000	As per Plant and Machinery valuer's report annexed.
Realizable Value of Financial Assets	808,008	As per our report.
Realizable Value of Total Assets (A)	70,113,008	
Long-term borrowings	246,923,197	
Current Liabilities (including short term borrowings)	72,585,654	
Share Application Money	1,150,000	
External Liabilities (B)	320,658,850	As per Balance Sheet of the Company. *
Value attributable to Equity Shareholders (C = A - B)	(250,545,842)	
Long-term borrowings	246,923,197	
Short Term Borrowings	14,280,674	
Share Application Money	1,150,000	
Total Debt (D)	262,353,870	As per Balance Sheet of the Company. *
Cash and Equivalent (E)	148,008	As per our report annexed.*
Enterprise Value (C + D - E)	11,660,020	

* FDR and interest accrued with SBI amounting Rs. 39.77 Lakhs is netted off with long term borrowings as the same are excluded from realizable value of financial assets. This adjustment will have no impact on enterprise value of the Company.

Note: Share application money pending allotment is considered as debt for the purpose of above calculation.



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ANKUSH GARG

REGISTERED VALUER

VALUATION (FINANCIAL ASSETS) – CONCLUSION

Hence, in my opinion, as on 03-July-2020,

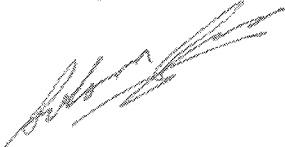
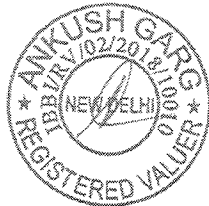
Total Realizable Value of Financial Assets	= 808,008
	~ 808,000

Therefore, the Realizable Value of the Financial Assets, with the above detailed conditions and specifications; in my opinion; is Rupees Eight lakhs and eight thousands only.

Total Enterprise Value of the Company	= 11,660,020
	~ 11,660,000

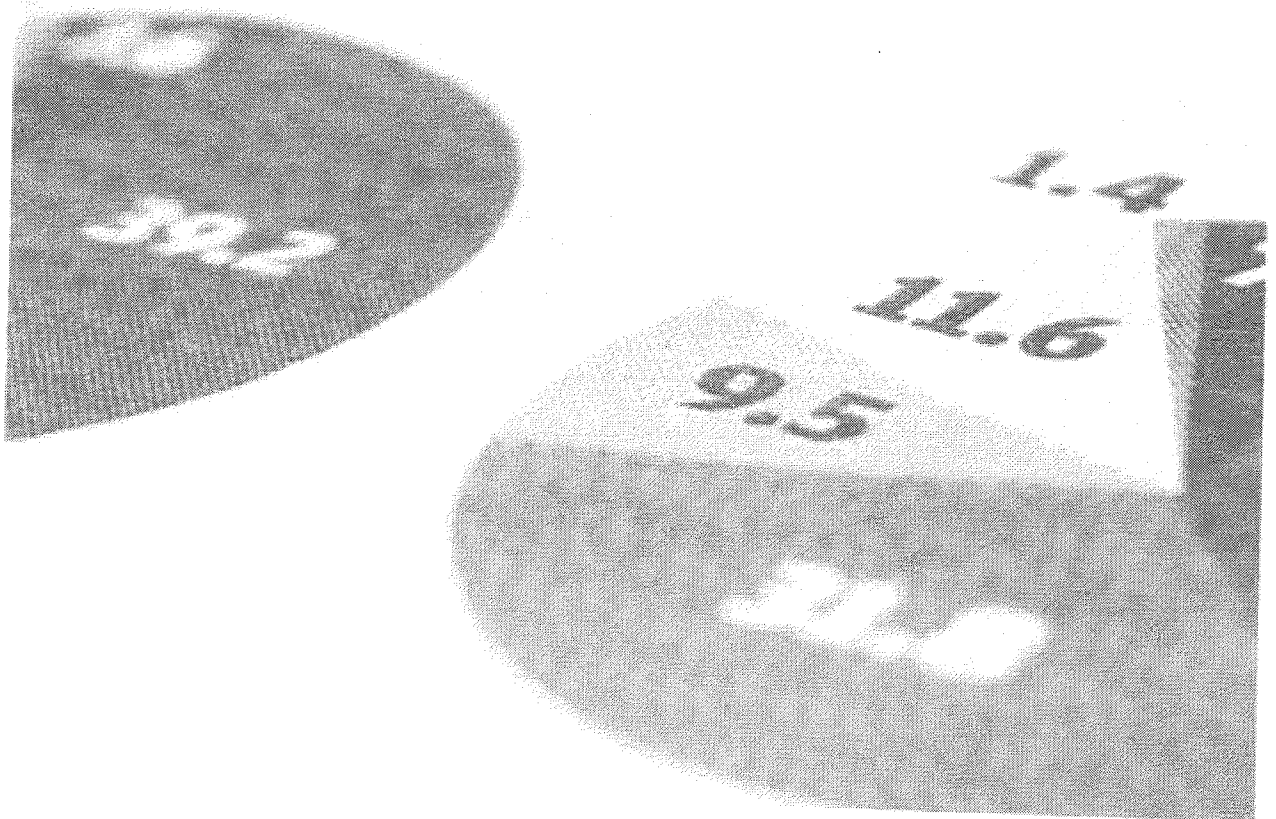
Therefore, the Enterprise Value of the Company, with the above detailed conditions and specifications; in my opinion; is Rupees One crore sixteen lakhs and sixty thousands only.

Certified Valuation Report
New Delhi, INDIA
15-July-2020

Ankush Garg
Registered Valuer
Securities or Financial Assets
IBBI/RV/02/2018/10010





**EQUITY SHARES VALUATION REPORT OF M/s MUSKAAN POWER
INFRASTRUCTURE LIMITED**

BY:

CA. Suresh Kumar Goyal, Director

SSS VALUATION PROFESSIONALS PRIVATE LIMITED

(RVE WITH IBBI FOR SECURITIES OR FINANCIAL ASSETS)

Delhi Office: 105, Roots Tower, District Center, Laxmi Nagar- New Delhi-110092

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SSS VALUATION PROFESSIONALS PRIVATE LIMITED

Registered Value Entity for Securities or Financial Assets (IBBI Regn. No. IBBI/RV-E/06/2020/116)
 # 105, Roots Tower | Plot No. 7, District Centre, Laxmi Nagar | Delhi-110092 | India
 Chandigarh Office: SCO 210-211, 3rd Floor, Sector 34A, Chandigarh
 Mobile: 9417006811, 9654111115
 CIN- U74999DL2019PTC353554-

To
 CA. J. K. Grover,
 Liquidator in the matter of
 Muskaan Power Infrastructure Limited
 Dhandari Kalan, Ludhiana, Punjab - 141014

Sub: Determination of value of Shares of Corporate Debtor (M/s Muskaan Power Infrastructure Limited) under Section 230 of Companies Act, 2013.

Dear Sir,

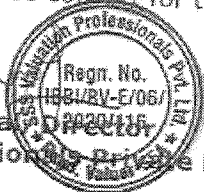
This is with reference to your letter dated 23rd October, 2020 vide which our RVE 'SSS Valuation Professionals Pvt. Ltd.' has been appointed as Registered Valuer to assess and determine the value of Shares for Valuation of Corporate Debtor (M/s Muskaan Power Infrastructure Limited) under Section 230 of the Companies Act, 2013.

In this regard, based on the detailed review, analysis of the information provided and discussions held with the Liquidator/ his team, we are enclosing our Valuation report along with this letter.

This valuation report is confidential and has been prepared exclusively for the Liquidator of the company. We are, however, aware that the conclusion in this report may be used for certain decision making purpose by the Liquidator under Insolvency & Bankruptcy Code, 2016 as well as for sharing with certain investors and it may also be used for regulatory filing purpose, therefore, we provide consent for the same.

Trust the above meets your requirements. In case you required any additional information/ clarification, please feel free contact for the same.

CA Suresh Kumar Goyal, Director
 SSS Valuation Professionals Private Limited



UDIN : 20099279AAAADH1988
 Dated : 04th November, 2020

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INDEX

S.NO.	CONTENTS	PAGE NO.
1.	Executive Summary	2
1.1	Brief Particulars of IBBI Registered valuer who has conducted the valuation	3
1.2	Basis and Methodology of Valuation	3
1.3	Summary of Assets Valued	3
	Main Report	
2.	Purpose and Scope of Valuation	4
3.	Background of the company	4
4.	Valuation Date	5
5.	Premise of Value	5
6.	Basis of Valuation	5
7.	Definition and Meaning of Fair Value	6
8.	Definition and meaning of Liquidation Value	7
9.	Approach and methodology of Valuation	8
9.1	Market Approach	8
9.2	Income Approach (Discounted cash flow 'DCF')	9
9.3	Cost Approach	10
10.	Review of Industry	11
11.	Fair Value using Cost Approach	14
12.	Determination of Fair Value of Shares on the basis of Income Approach	15
12A	Financial Projections Considered For Fair Valuation	15
12B	Determination of Change in Working Capital and Fixed Assets	19
12C	Computation Of Fair Value Of Shares Of Corporate Debtor	20
13.	Caveats, Limitations and Disclaimers	23
14.	Distribution of Report	25
15.	Conflict of Interest	26
16.	Date of Report	26

Particulars	Details
Name of the Corporate Debtor	Muskaan Power Infrastructure Limited
Appointment made by	Liquidator of the Corporate Debtor
Nature and Purpose of valuation	To determine the fair value of shares for Valuation of the Corporate Debtor in accordance with Section 230 of the Companies Act, 2013
Registered office and Plant location of the Corporate debtor	Dhandari Kalan, Ludhiana, Punjab - 141014
Subject interest of Valuation	Valuation of Shares of the corporate debtor
Date of Appointment	23 rd October, 2020
Valuation Date (Measurement Date)	30 th September, 2020
Date of Valuation Report	4 th November, 2020



1.1 BRIEF PARTICULARS OF IBBI REGISTERED VALUER WHO HAS CONDUCTED THE VALUATION OF SHARES

Specified Asset class	Name of Registered Valuer
Securities and Financial Assets	SSS Valuation Professionals Private Limited Registered Valuer Entity with IBBI for Securities or Financial Assets IBBI Regn. No. IBBI/RV-E/06/2020/116



1.2 BASIS AND METHODOLOGY OF VALUATION

The valuation has been conducted in compliance with the International Valuation Standards issued by the International Valuation Standards Council (IVSC). Further, valuation of Securities or Financial Assets has been conducted in compliance of Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

1.3 SUMMARY OF ASSETS VALUED

Based on Inputs and analysis of the company as discussed in para 12 of the main report, we have determined fair value of equity share capital of the company amounting to RS. 1,195.08 lakhs. On the basis of total no. of 28,72,500 equity shares, after applying discount of 20% on account of lack of marketability, Fair value of each equity share has been determined as Rs. 33.28/-.

The estimated fair value of shares of Corporate Debtor as mentioned must be read in conjunction with the valuation report and annexures in order to gain a full understanding.



CA Suresh Kumar Goyal, Director
SSS Valuation Professionals Private Limited
RVE with IBBI for Securities or Financial Assets
IBBI Regn. No. IBBI/RV-E/06/2020/116

Dated: 4th November, 2020
UDIN : 20099279AAAADH1988



Main Report for Valuation of Securities or Financial Assets

2. PURPOSE AND SCOPE OF VALUATION

This is with reference to the Appointment of our Registered Valuer Entity vide Letter dated 23rd October, 2020 issued by CA. J. K. Grover, the Liquidator of the Corporate Debtor i.e. 'Muskaan Power Infrastructure Limited' to assess and determine the fair value of Shares for Valuation of the Corporate Debtor under Section 230 of Companies Act, 2013 as on 30th September, 2020.

3. BACKGROUND OF THE COMPANY AND ASSIGNMENT

M/s Muskaan Power Infrastructure Limited is a Private Limited company incorporated vide Company Registration Number (CIN) U31102PB2008PLC032418 on 17/11/2008 with ROC Chandigarh. As per MCA portal, Master data of the company is as following:

CIN	U31102PB2008PLC032418
Company / LLP Name	MUSKAAN POWER INFRASTRUCTURE LIMITED
ROC Code	RoC-Chandigarh
Registration Number	032418
Company Category	Company limited by Shares
Company Sub Category	Non-govt company
Class of Company	Public
Authorised Capital (Rs)	35000000
Paid up Capital (Rs)	28725000
Date of Incorporation	17/11/2008
Registered Address	Dhandari Kalan LUDHIANA PB 141014
Email Id	-
Whether Listed or not	Unlisted
Date of last AGM	30/09/2016
Date of Balance Sheet	31/03/2016

As per Memorandum and Articles of Associations of MPIL, the main objective for which the company has been incorporated is to carry on the business of manufacturers, assemblers, traders, importers & exporters, fabricators of high tension transformers of all types and designs, voltages and wattages and misc. other kinds of allied goods.

As informed, the company had recorded total revenue of Rs. 95.57 crores for FY 2014-15 and Rs. 89.15 crores for FY 2015-16. However, it faced liquidity crunch as its working capital stuck up in exports as well as receivables due to overall economic slowdown and liquidity sluggishness in the market due to which CIRP

Valuation of Fair and Liquidation value of Muskaan Power Infrastructure Ltd.

was initiated against the company w.e.f. 27th August 2017 under IBC 2016 by Hon'ble NCLT Chandigarh bench. Further, Hon'ble NCLT Chandigarh bench vide its order dated 11-12-2018 initiated the liquidation proceedings of the company under IBC 2016 and appointed CA J.K. Grover as the liquidator of the company.

Now, it has been informed by the liquidator that Hon'ble NCLAT New Delhi in its order dated 15th April, 2019 has held that as per provisions of Section 230 of the Companies Act, 2013, it is open to the members of the promoter to propose scheme in terms with the statement and object of the IBC and any scheme given by the Promoter is also to be considered accordingly. In view of the same, the liquidator has appointed our RVE to assess and determine the valuation of shares of the corporate debtor i.e. M/s Muskaan Power Infrastructure Limited as per provisions of Section 230 of the Companies Act, 2013.

4. VALUATION DATE

The Analysis of the Fair Value of shares of the company has been carried out as on 30th September, 2020.

5. PREMISE OF VALUE

Determination of fair value of the company has been arrived at based on the premise of going concern assuming that the company would continue to act as a going concern in the near future.

As the valuation of shares of the corporate debtor has been sought to be conducted for filing compromise application proposed by the promoters before Hon'ble NCLT as per provisions of section 230 of the Companies Act, 2013, therefore, premise of value has been considered as going concern in terms of Regulation 32 (e) or (f) of the INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (LIQUIDATION PROCESS) REGULATIONS, 2016.

6. BASIS OF VALUATION

Valuation has been done to assess and determine the value of shares for Valuation of the Corporate Debtor under section 230 of the Companies Act, 2013.

Further, as required under 8 of the Companies (Registered Valuers and Valuation) Rules, 2017, the valuation has been conducted as per Internationally accepted valuation standards and valuation standards adopted by any registered valuers organization.

Accordingly, the valuation has been conducted in compliance with the International Valuation Standards issued by the International Valuation Standards Council (IVSC). Further, valuation of Securities or Financial Assets has been conducted in compliance of Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organization.

7. DEFINITION AND MEANING OF FAIR VALUE

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available.

However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Meaning of Fair value as per Insolvency & Bankruptcy Code, 2016

Regulation 2 (hb) IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016 defines "fair value" means the estimated realizable value of the assets of the corporate debtor, if they were to be exchanged on the **insolvency commencement date** between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.]

Indian Accounting Standard (IndAS-113) on Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ICAI Valuation standard-101

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

Thus, a fair value measurement is for a particular asset or liability. Therefore, when measuring fair value an entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example, the following:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

8. DEFINITION AND MEANING OF LIQUIDATION VALUE

Regulation 2 (k) of **IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016** defines 5 ["liquidation value" means the estimated realizable value of the assets of the corporate debtor, if the corporate debtor were to be liquidated on the insolvency commencement date.]

As per International Valuation Standards (IVS), 'Liquidation Value' has been defined as the amount that would be realized when an asset or group of assets are sold on piecemeal basis. Liquidation value should taken into account the costs of getting the assets into saleable condition as well as those of the disposal activity.

As the valuation of shares of the corporate debtor has been sought to be conducted for filing compromise application proposed by the promoters before Hon'ble NCLT as per provisions of section 230 of the Companies Act, 2013, therefore, premise of value has been considered as going concern in terms of Regulation 32 (e) or (f) of the **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (LIQUIDATION PROCESS) REGULATIONS, 2016**

9. APPROACH AND METHODOLOGY OF VALUATION

As per Valuation Standards, there are three approaches described and defined below which are used in valuation. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution.

The principal valuation approaches are:

9.1 MARKET APPROACH

MARKET PRICE METHOD

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that maybe inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market.

In the present case, the company does not have equity shares listed on any recognized stock exchange in India. Accordingly, the Market Price Method has not been adopted for the valuation.

COMPARABLE COMPANY MARKET MULTIPLE METHOD

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. The market multiples typically express the valuation as a function of a measure of financial performance or Book Value (e.g. Revenue, EBITDA, Earnings Per share or Book value). The key benefit of this methodology is that it is based on the current market stock price which is generally viewed as one of the best valuation metrics as observable inputs.

As there is no listed company in the area which is comparable with the company in terms of product portfolio, size, capital structure, business strategy, etc., we have not used this methodology in the valuation analysis.

COMPARABLE TRANSACTIONS MULTIPLE METHOD

This approach is somewhat similar to the market multiples approach except that the sales and EBITDA multiples of reported transactions in the same industry in the recent past are applied to the sales and EBITDA of the business being valued.

We have not considered this methodology in the analysis as we understand that there are no reported comparable transactions in the sector to which the company belongs.

9.2 INCOME APPROACH OR MAINTAINABLE PROFIT METHOD (DISCOUNTED CASH FLOWS- DCF)

Under this method, value of the business is derived by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The perpetuity value of the entity is calculated to fully capture the growth capacity of the entity to infinity, after the explicit period. This is also known as **Discounted Cash Flow (DCF) method**.

The rate at which the future cash flows are discounted, should reflect not only the time value of money, but also the risk associated with the future operations of the business. In case of valuation of enterprise, the free cash flows to firm (i.e. FCFF) are discounted by using Weighted Average Cost of Capital ('WACC').

The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business. This valuation method is based on the capability of a company to generate cash flows in the future. The free cash flows are projected for a certain number of years and then discounted at a discount rate that reflects a company's cost of capital and the risk associated with the cash flows it generates. DCF analysis is based mainly on the following elements:

- Projection of financial statements (key value driving factors)
- The cost of capital to discount the projected cash flows

Weighted Average Cost of Capital (WACC) for discounting the free cash flows is arrived at by using following formula :

$$WACC = K_e * + K_d *$$

Where, K_e is Cost of Equity and K_d is Cost of Debt

The cost of equity is derived using the Capital Asset Pricing Model ("CAPM") as follows:

$$K_e = R_f + B * (R_m - R_f) + A_r P$$

Where: R_f = the current return on risk-free assets

- Rm = the expected average return of the market
- (Rm-Rf) = the average risk premium above the risk free rate that a "market" portfolio of assets is earning
- B = the beta factor, being the measure of the systematic risk of a particular asset relative to the risk of a portfolio of all risky assets
- ArP = company specific risk factor

As informed by the Liquidator, the company is operating presently with minimal operations. However, as the compromise has been directed by the Hon'ble NCLAT Delhi, the valuation is being done considering the company as a going concern. Accordingly, to enable us the valuation of company by following income approach, the liquidator has made available 'Techno-Economic Viability Study' of the corporate debtor undertaken by NITCON in January 2020. On the basis of this study, we have considered the financial projections of the company for next five years to determine the fair value of shares by using Income approach.

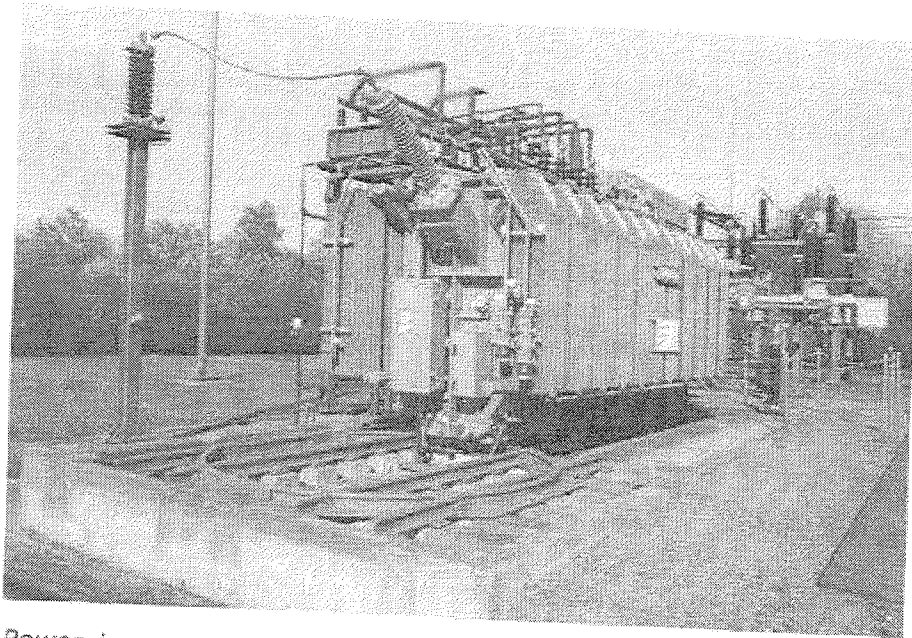
9.3 COST APPROACH

The cost approach provides an indication of 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, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology recognizes historical cost of net assets only without recognizing its present earning, comparative financial performance of its peers and their enterprise values etc. Therefore, in general, this approach reflects the minimum proxy value of the company.

As informed by the Liquidator of the corporate debtor, valuation of assets of the corporate debtor comprising of **Land and Building, Plant and Machinery and Securities & Financial Assets** has already been conducted by respective Registered Valuers with IBBI as per provisions of Regulation 35 of IBBI (Liquidation Process) Regulations, 2016. Therefore, Cost approach has also been considered for determining the share valuation of the corporate debtor.

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Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India is on the verge of becoming major power nation among developing economies. Electricity is a key constituent for the economic growth of the country and is directly linked to GDP of the country. There has been a surge in demand for power in India due to increase in capacity utilization, industrialization, urbanization and population.

Being the key link for delivery of power between the point of generation and the end-user, transformers have been witnessing buoyant growth on account of various reforms in the Indian power sector. Power transformers are deployed in transmission networks at high voltages, while the distribution networks install distribution transformers (DTs) at low voltages.

Major growth drivers

Apart from the Ujwal Discoms Assurance Yojana (UDAY) for operational and financial turnaround of state-owned Power Distribution Companies (DISCOMs), 100 per cent village electrification under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), the government's roadmap for achievement of 175 GW capacity in renewable energy by 2022, and the focus on attaining 'Power for All' are stimulating the generation capacity of the power sector. In turn, the enhanced capacity additions will escalate the demand for transformers.

TechSci Research Report on power and distribution transformers projects a growth at CAGR of 10.5 per cent during 2015-20. Under the 12th Five-Year Plan, the government has focused on expansion of the country's Transmission and Distribution (T&D) network with significantly higher investments than previous

Five-Year Plans, which is expected to result in robust growth of the power and distribution transformers industry over this period.

Further, the government projects like Green Energy Corridor for power generation from renewable sources would give a boost to the overall power and distribution transformer installations in the country. India has also entered into a technological collaboration with Germany under which Germany would extend its technical assistance for upgrading India's existing power grid and facilitate flow of renewable energy through the grid.

According to Indian Electrical and Electronics Manufacturers' Association (IEEMA), growth in power transformers is attributed to demand for High Voltage (HV) and Extra High Voltage (EHV) transformers with support from growth in exports also; whereas in distribution transformers, growth is led by domestic demand especially rural electrification program.

The challenges

Indian transformers industry has been facing the various challenges of availability of adequate quantity of raw material, testing facilities and skilled manpower. Issues like high input cost due to exchange rate, crude price, and working capital management for MSME sector continue to be the hurdles in the sector.

According to International Copper Association India (ICAI), the distribution transformer business has had its own set of challenges in the past few years, mainly emerging out of reasons below:

- Inadequate supply of prime quality Cold Rolled Grain Oriented (CRGO) steel is the biggest challenge faced by transformer manufacturers in the country. CRGO requirement is completely met through imports; it is in fact challenging to assess the true quality of the material that is used by the transformer manufacturers in India.
- Failure rate of Transformers – High failure rate of distribution transformers, is a big concern for the transformer industry in India. The average operational life of a transformer is between 25 to 30 years; however, transformers are known to be recalled for repair in as early as three years. The failure rate of distribution transformers in India is estimated at 10-15 percent (in stark contrast to the less than 2 percent failure rate in developing countries). This is due to the low entry barriers in the distribution transformer market leading to unorganized players entering the market, and competing on the price factor. SEBs historically follow a L1 vendor selection criteria, which has led to proliferation of many small players, that compromise on the quality of transformers manufactured
- Financial Condition of SEBs – SEBs have been facing losses due to the supply of subsidized power to agricultural farmers, theft of power, and

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inefficient T&D infrastructure. This has restricted private investment in the power T&D sector, thereby reducing the quality of service from SEBs. This, in turn, is affecting the capacity building program and transmission of power

- In distribution transformers, many small manufacturers are slowly switching over to manufacturing of the large capacity category transformers, thus expanding the organised participants' base. This makes the market more competitive and sensitive to price rather than quality. If an organisation focuses on quality manufacturing of transformers, they cannot sustain the competition due to rock-bottom cut-throat rates quoted by the small players.

India's transformer market is predominantly unorganized with many small participants catering to the smaller distribution transformer markets. However, many are slowly graduating to the medium-sized category, thus expanding the organised participants' base. This makes the market more competitive and price sensitive rather than quality. If an organization focuses on quality manufacturing of transformers, they can sustain the competition and have incremental growth.

Outlook

The government's plans of generation of renewable energy and 24*7 Power for All will generate the positive growth opportunity for transformers. It is expected that more than 85,000 ckt. km of transmission lines and 230,000 MVA of transformer capacity are expected to be added to the grid by 2021-22. Further, transformer demand other than utility business is proportional to industrial growth.

The demand of transformers will be continuously propelled due to addition of generation capacity. there is a need to increase per capita consumption to a reasonable level from 1000 KWH to international standard level say 2000 KWH, which will necessitate multiple fold growth in generation, transmission and distribution network. Now with emergence of requirement of charging stations for electric vehicles at the national level, the transformer requirement will see further growth.

With huge investments proposed across sectors such as power, infrastructure, etc., the transformers market in India is slated for strong growth. The excess capacity in the Transformer industry in India, and entry of new players is further expected to increase market competitiveness.

11. COMPUTATION ON FAIR VALUE USING COST APPROACH

For determining the fair value of shares using Cost approach, the liquidator has made available valuation reports in respect of valuation of Land & Building, Plant & Machinery and Security or Financial Assets of the corporate debtor conducted by respective Registered Valuers with IBBI for each asset class. Brief summary of the same is as below:

(Rs. In lakhs)

PARTICULARS	30-09-2020 (Prov. Fin.)	Fair Value
ASSETS		
Non current assets		
Property plant and equipment		
Tangible assets		
Land & Building*	305.63	292.80
Plant & Machinery including vehicles	203.52	71.17
Office Equipment**	7.37	-
Intangible Assets	408.43	-
Capital work-in-progress	924.94	363.97
Long term loans and advances	5.83	-
Other non-current Assets	0.37	-
Deferred Tax Assets	27.87	-
Current Assets	34.07	-
Inventories**	624.00	351.00
Trade Receivables	329.64	-
Cash and cash equivalents#	40.73	41.25
Other Current Assets	99.09	-
	1,093.46	392.25
TOTAL ASSETS	2,052.47	756.22
Non current liabilities		
Long term Borrowings\$	2,508.40	2,508.40
	2,508.40	2,508.40
NET ASSETS	(455.92)	(1,752.17)

*Fair Value of Land & Building has been considered on the basis of valuation report of Corporate Debtor done by Mr. Sachin Goel, Registered valuer with IBBI.

**Fair Value of Plant & Machinery and Inventory has been considered on the basis of valuation report of Corporate Debtor done by Mr. Ankit Goel, Registered Valuer for Plant & Machinery registered with IBBI.

Valuation of Fair and Liquidation value of Muskaan Power Infrastructure Ltd.

✓

***Fair Value of Securities or Financial Assets has been considered on the basis of valuation report of Corporate Debtor done by Mr. Ankush Garg, Registered valuer with IBBI.

#Cash & Cash Equivalents has been considered at Rs. 41.25 lakhs. It includes an amount of Rs. 39.77 lakhs which has been reduced by the Registered valuer from Debt amount, whereas we have considered the same separately as part of Cash and debt.

§ Long term borrowings have been considered as mentioned in the proposed scheme of compromise.

Opinion on Valuation of Shares using Cost Approach

Since the fair value of net assets of the Corporate Debtor after considering the proposed liabilities in compromise scheme is negative, therefore, we have not considered Cost Approach for fair Valuation of the shares of the Corporate Debtor.

12. DETERMINATION OF FAIR VALUATION OF SHARES ON THE BASIS OF INCOME APPROACH

12A. FINANCIAL PROJECTIONS CONSIDERED FOR FAIR VALUATION

- As already discussed in para 9.2 above, for valuation of shares on Income Approach basis, we need the financial projections of the company for next five financial years. In this regard, the Liquidator has made available 'Techno-Economic Viability Study' of the corporate debtor i.e. Muskaan Power Infrastructure Limited conducted by NITCON in the month of January 2020.
- As per Memorandum and Articles of Associations of MPIL, the main objective for which the company has been incorporated is to carry on the business of manufacturers, assemblers, traders, importers & exporters, fabricators of high tension transformers of all types and designs, voltages and wattages and misc. other kinds of allied goods.

- * Actual Financial Performance of the Company during the period FY 2014-15 to FY 2019-20 on the basis of Audited Financials and for period ending on 30th September, 2020 (Provisional) are as follows:

PARTICULARS	(Rs. In lakhs)					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 30 th Sep 2020
INCOME						
Revenue from Operations	9,559.96	8,919.47	7,643.16	334.11*	148.09	67.24
Total Revenue	9,559.96	8,919.47	7,643.16	334.11	148.09	67.24
EXPENSES						
Cost of raw material and components consumed	8,398.01	8,045.35	6,911.88	320.63	354.28	219.57
Direct Cost	67.39	65.84	30.15	66.52	33.74	12.28
Employees Benefit Expenses	116.52	119.77	58.85	20.93	0.55	12.05
Other Expenses	391.59	200.45	266.80	1,168.50	46.56	1,368.55
Total Operating Expense	8,973.51	8,431.41	7,267.68	1,576.58	435.13	1,612.45
EBITDA	586.45	488.06	375.48	(1,242.47)	(287.04)	(1,545.21)
Depreciation and amortization expense	96.71	103.78	97.68	68.48	51.60	40.79
EBIT	489.74	384.28	277.80	(1,310.95)	(338.64)	(1,586.00)
Finance cost	296.18	278.09	314.88	131.22	3.56	0.07
EBT/PBT	193.56	106.19	(37.08)	(1,442.17)	(342.20)	(1,586.07)
Tax expense (including Deferred tax)	79.63	37.40	(10.87)	(3.81)	(1.00)	-
EAT/PAT	113.93	68.79	(26.21)	(1,438.36)	(341.20)	(1,586.07)

* Since 03-08-2017, the company was undergoing CIRP and since 11-12-2018, liquidation proceedings are going under IBC 2016

- As per the Techno-Economic Viability report of the corporate debtor, the promoters of MPIL have submitted the financial projections for next five years comprising FY 2020-21 to FY 2014-25. NITCON has assessed the viability of said projections on the basis of two scenarios :

Scenario-1: To assess Viability of operations based on projected Sales volumes submitted by MPIL, but envisaging EBDITA margins achieved by it in the past. Or

Scenario-2 : to consider sales volumes as proposed by MPIL and assess the feasibility of achieving the EBITDA margins now projected by MPIL

Financial Projections on the basis of Scenario-1

As per this assessment Scenario, the likely P&L summary has been tabulated below:-

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Sales	1,236.12	1,978.96	2,812.17	3,218.80	4,258.40
Expenses	1,149.59	1,840.43	2,615.32	2,993.48	3,960.32
EBDITA (7%)	86.53	138.53	196.85	225.32	298.09
Financial Cost (@9%p.a.)	223.78	197.99	138.84	79.54	24.80
Depreciation	37.36	32.45	28.31	24.79	21.77
PBT	(174.60)	(91.92)	29.70	120.99	251.52

It has been observed by NITCON that MPIL is not able to generate sufficient profits and will not be able to service its debt obligations and therefore, the proposal becomes "unviable".

Financial Projections on the basis of Scenario-2

Scenario-2: Sales volumes as proposed by MPIL, and assess the feasibility of achieving the now projected EBDITA margins by analyzing the projected Viability plan vis-à-vis achievement of critical parameters on the basis of :-

- Installed Capacity available
- Projected vs Past Capacity Utilization
- Product-mix Ratio – Past and Projected
- Achievability of projected Sales figures

- Accordingly, the financial projections considered by NITCON for five years are as following :

PARTICULARS	(Rs. In lakhs)				
	2020-21	2021-22	2022-23	2023-24	2024-25
INCOME					
Revenue from Operations	1,236.12*	1,978.96	2,812.17	3,218.80	4,258.40
Total Revenue	1,236.12	1,978.96	2,812.17	3,218.80	4,258.40
EXPENSES					
Cost of raw material and components consumed	717.52	1,140.50	1,664.51	1,910.55	2,615.61
Overhead Cost	59.40	88.83	114.34	124.42	157.49
Employees Benefit Expenses	109.50	163.77	246.89	295.74	324.14
Power Cost	27.17	36.68	43.84	59.77	65.20
Repair & Maintenance	5.24	5.76	6.34	6.97	7.67
Sales & Administration Expenses	92.71	148.42	210.91	241.41	319.38
Total Operating Expense	1,011.54	1,583.96	2,286.83	2,638.86	3,489.49
EBITDA	224.58	395.00	525.34	579.94	768.91
Depreciation and amortization expense	33.46	28.21	24.25	21.11	18.53
EBIT	191.12	366.79	501.09	558.83	750.38
Finance cost	223.80	199.55	132.47	74.09	18.63
EBT/PBT	(32.68)	167.24	368.62	484.74	731.75
Tax expense (including Deferred tax)	(0.43)	(0.48)	76.19	118.14	178.89
EAT/PAT	(32.25)	167.72	292.43	366.60	552.86

- *we have not considered 'other income-Directors Loan waive off' for Rs. 140 lakhs mentioned in TEV report as the same will not result into any cash inflow for the company
- we have considered the projections as mentioned above given in the TEV Report for our valuation analysis. The above projections were prepared in January, 2020 considering the FY 2020-21 as the first year of operation. However, as the Fair Valuation of Shares of the Corporate Debtor is being done in November, 2020 and the process of compromise will take some more time, so we have considered FY 2021-222 as the first year of operation and all the projected figures have been taken same for the purpose of Valuation of Shares.

12B. Determination of Change in Working Capital and Fixed Assets

Change in working capital and fixed assets as on 30th Sep 2020 and projected period has been considered as below:

(Rs. In lakhs)

PARTICULARS	30-09-2020 (Prov. fin.)	2021-22	2022-23	2023-24	2024-25	2025-26
Current Assets						
Inventories	351.00	68.60	88.01	106.39	120.49	120.49
Trade Receivables	-	151.98	51.98	51.98	51.98	51.98
Total	351.00	220.58	139.99	158.37	172.47	172.47
Current liabilities (other than Short term Borrowings & CC Limit)						
	287.73	342.82	295.57	228.43	151.59	49.92
Net Working Capital	63.27	(122.24)	(155.58)	(70.06)	20.88	122.55
Change in WC	(453.98)	(185.51)	(33.34)	85.52	90.94	101.67

Notes:

1. Value of Current Assets for the period from FY 2021-22 to FY 2025-26 has been considered as per the TEV only.
2. Value of Inventory and Trade Receivables as on 30/09/2020 has been considered as per the SFA Valuation Report of the Corporate Debtor done by the Valuer registered with IBBI.
3. Value of Current Liabilities as on 30/09/2020 includes Trade Payables, Other Current Liabilities and Short Term Provisions. However, a sum of Rs. 150 lakhs (Operational) Creditors as per proposed Compromise Scheme) has been excluded from the same as it has been considered in the Long term Liabilities.
4. We have not considered Other Current Assets as the value of same has been determined as Zero as per the SFA Valuation report of the Corporate Debtor done by the Valuer registered with IBBI.

Fixed Assets

1. We have considered Sale of Fixed Assets amounting to Rs. 150 lakhs as per proposed compromised scheme and TEV Report during the first year of operation.

12C. COMPUTATION OF FAIR VALUE OF SHARES OF CORPORATE DEBTOR

a. Projected Profit & Loss Statement of the company for next five years i.e. up to the FY 2025-26 is as follows:

(Rs. In lakhs)

PARTICULARS	2021-22	2022-23	2023-24	2024-25	2025-26
INCOME					
Revenue from Operations	1,236.12	1,978.96	2,812.17	3,218.80	4,258.40
Total Revenue	1,236.12	1,978.96	2,812.17	3,218.80	4,258.40
EXPENSES					
Cost of raw material and components consumed	717.52	1,140.50	1,664.51	1,910.55	2,615.61
Overhead Cost	59.40	88.83	114.34	124.42	157.49
Employees Benefit Expenses	109.50	163.77	246.89	295.74	324.14
Power Cost	27.17	36.68	43.84	59.77	65.20
Repair & Maintenance	5.24	5.76	6.34	6.97	7.67
Sales & Administration Expenses	92.71	148.42	210.91	241.41	319.38
Total Operating Expense	1,011.54	1,583.96	2,286.83	2,638.86	3,489.49
EBITDA	224.58	395.00	525.34	579.94	768.91
Depreciation and amortization expense	33.46	28.21	24.25	21.11	18.53
EBIT	191.12	366.79	501.09	558.83	750.38
Finance cost	223.80	199.55	132.47	74.09	18.63
EBT/PBT	(32.68)	167.24	368.62	484.74	731.75
Tax expense (including Deferred tax)	(0.43)	(0.48)	76.19	118.14	178.89
EAT/PAT	(32.25)	167.72	292.43	366.60	552.86

b. Factors Considered For Determination Of Weighted Average Of Cost Of Capital

Risk Free Rate (Rf)	- The nominal risk-free rate is derived based on the long-term bond yield rates. - In India, we have considered 10 year Government of India securities yield as at the Valuation Date for the purpose of arriving at nominal risk free rate, which is 5.87% as on date of valuation.
Market Rate of Return (Rm)	- Market rate of return R(m) is based on the normal long term return from the Indian stock market. We have considered market rate of return @13.11 percent on the basis of return of Sensex stocks for the past 20 years.
Equity risk premium	- Equity risk premium, $R(m) - R(f)$ is the difference between the expected Market Rate of Return and the Risk Free Rate. Based on the above numbers, the equity risk premium is 7.24 per cent.
Beta (B)	- Beta is a measure of the risk of the share of a company. B is the co-variance between the return on sample stocks in same industry and the return of the market (say, Sensex).
Additional Risk Premium (ArP)	-Additional Risk Premium Including Lack of Marketability has been considered @ 6 percent.
Cost of Equity (Ke)	- Based on above parameters Ke of the company has been worked as 18.24 percent.
Cost of Debt (Kd)	- Based on Compromise agreement Kd of the company is 9 percent which has been worked as 6.73 percent after considering the Taxation effect.
Corporate Tax Rate	- Corporate tax rate of 25.168 percent has been considered on the basis of a corporate tax rate 22 per cent plus surcharge of 10% and cess of 4%.
WACC	- WACC has been worked out as 14.79 percent considering the weightage of Equity and Debt in the ration of 70:30.
Terminal Growth	-Terminal Growth after the explicit period has been considered @4% to determine terminal value of the company.

c. Determination of Free Cash Flows and its Present Value

PARTICULARS	(Amt. in Rs./Lakhs)				
	2021-22	2022-23	2023-24	2024-25	2025-26
EBIT	191.12	366.79	501.09	558.83	750.38
Tax Expenses	48.10	92.32	126.12	140.66	188.87
Profit After Tax	143.02	274.47	374.97	418.17	561.51
Add: Depreciation and amortization expense	33.46	28.21	24.25	21.11	18.53
Less: Change in Working Capital	185.51	33.34	(85.52)	(90.94)	(101.67)
Less: Sale of Fixed Assets (IPs)	150.00	-	-	-	-
Free Cash Flow for Firm	511.98	336.02	313.70	348.34	478.37
Discounting Factor WACC @ 14.79%	0.87	0.76	0.66	0.58	0.50
PV of FCFF	446.02	255.01	207.40	200.63	240.03

d. Determination of Present value of Terminal Value

Terminal Value	
FCFF for FY 2025-26	478.37
Growth Rate	4.00%
Weighted Average Cost of Capital (WACC)	14.79%
Terminal Value	4,611.11
Discounting factor @ 14.79%	0.50
Present Value of Terminal Value	2,313.66

e. Computation of Fair Value of Equity Shares

Net PV of Future Cash Flows for the explicit period	1,349.09
Add: PV of Terminal Value	2,313.66
Total Present Value	3,662.75
Add: Cash & Cash Equivalents as on 30/09/2020	40.73
Less: Outstanding debt as proposed in Compromise scheme	(2,508.40)
Enterprise Value	1,195.08
Less: Discount on account of lack of marketability @20%	239.02
Value for Equity Shareholders	956.07
No. of Shares	28,72,500
Fair Value of each Equity Share (Rs.)	33.28

f. Opinion On Fair Value Of Equity Share Of MPIL

Based on Inputs and analysis of the company as discussed above, we have determined fair value of equity share capital of the company amounting to Rs. 1,195.08 lakhs. On the basis of total no. of 28,72,500 equity shares, after applying discount of 20% on account of lack of marketability, Fair value of each equity share has been determined as Rs. 33.28/-.

13. CAVEATS, LIMITATIONS AND DISCLAIMERS

Given below are the caveats, limitations and disclaimers which form an integral part of this valuation report and communicate our dependence on information obtained from various sources. These are submitted below and estimated fair value as set forth in this valuation report is predicated on them.

- i) Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company/ the Liquidator and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- ii) 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.
- iii) The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases are subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, as fair valuation of shares under Companies Act, 2013 requires the expressions of a single value, we have adopted a value at the mid-point of our valuation range. Whilst we consider our value range of values to be both reasonable and defensible based on the information available with us, others may place a different value on the said company.
- iv) The actual market price achieved may be higher or lower than our estimate depending upon the circumstances of the transaction, nature of business etc. Accordingly, the final transaction price is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price.
- v) An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it,

and we do not assume any obligation to update, revise or reaffirm this Report.

- vi) The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Registered Valuer and judgment 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 face of the Balance Sheet but could strongly influence the value.
- vii) In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
- viii) The historical financial information about the company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose.
- ix) We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.
- x) We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.
- xi) We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.
- xii) Fair value and liquidation value of assets has been determined on the basis of information and explanation provided to us by the management of the company/ the Resolution Professional as on



valuation date. We have relied upon the same and assumed it to be true and fair for valuation purpose.

- xiii) Transaction costs pertaining to realization of financial assets have not been considered while determining fair value/ liquidation value.
- xiv) We owe responsibility to only to the Liquidator who has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.
- xv) The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

14. DISTRIBUTION OF REPORT

The Analysis is confidential and has been prepared exclusively for the Liquidator of the corporate debtor. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. We are, however, aware that the conclusion in this report may be used for certain decision making purpose by the Liquidator under Insolvency & Bankruptcy Code, 2016 as well as for sharing with certain investors and it may also be used for regulatory filing purpose, therefore, we provide consent for the same.

15. CONFLICT OF INTEREST

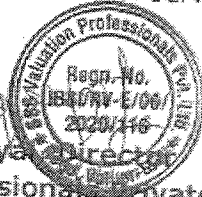
There is no conflict of interest in our opinion on valuation analysis of the business of the Company. Our fee is not contingent upon the opinion expressed herein. This report is subject to the terms and conditions of the agreement as outlined in the appointment and/or engagement letter between the valuer and the Liquidator dated 23rd October, 2020.

16. DATE OF REPORT

This report has been issued on 4th November, 2020.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Assuring you our best professional services at all times.



CA Suresh Kumar Goyal, Director
 SSS Valuation Professionals Private Limited
 Registered Valuer Entity with IBBI for
 Securities or Financial Assets
 IBBI Regn. No. IBBI/RV-E/06/2020/116

Date : 4th November, 2020

UDIN: 20099279AAAADH1988