

Project Cost Vetting Report

**SCODA TUBES
LIMITED**

Table of Contents

Executive Summary.....	4
Scope of Work	6
Date of Inspection	6
Site Visit Pictures	6
Team for Inspection	9
Project Cost	10
Land Cost	10
Civil Cost	10
Plant Machinery and Utility	15
Contingency	31
Implementation schedule	31
Utilisation of Pre-IPO Proceeds	33
Physical Completion on site	37
Comment on Capital Cost	40
Statutory Approvals	40
Limiting Conditions	43
Terms relating to use of this report.....	45

Executive Summary

Executive Summary

Name of the Firm	SCODA Tubes Limited
Date of incorporation	10 th November 2008
Constitution	Closely Held Public Limited Company
CIN No.	U28110GJ2008PLC055392
Industry	Steel manufacturing
Registered Office Address	Survey No. 1568/1569, Kalol-Mehsana Highway, Village-Rajpur, Tal-Kadi, Mehsana-382740, Gujarat, India.
Nature of activity	Manufacturing of SS Seamless Pipes & Tubes, SS Instrumentation Tubes, SS Welded Tubes.
Directors/Promoters of Firm	Mr. Samarth Bharatbhai Patel
	Mr. Vipulkumar Patel
	Mr. Saurabh Amrutbhai Patel
	Mr. Ravi Patel
	Mr. Jagrutkumar Rameshbhai Patel
Brief details of the Project	The Company is into production of Stainless Steel Seamless Tubes, Pipes, and U-tubes, as well as Stainless Steel Welded Tubes and U-tubes. The current installed capacities of the plants of the Company are; - Seamless tubes and pipes = 10,068 MTPA - Welded products – 1,020 MTPA The Company has proposed to enhance its capabilities of seamless tube and pipe production by 10,000 MTPA and welded products by 12,130 MTPA..
Plant Location	Old Survey no. 1561/2, New Survey No. 2428 Vill :- Rajpur, Ta:- Kadi, Dist:- Mehsana, Old Survey No. 1563/3, New Survey No. 2439 Village: Rajpur, Taluka: Kadi, District: Mehsana, Old Survey No. 1563/1, New Survey No. 2440 Village: Rajpur, Taluka: Kadi, District: Mehsana, Old Survey no. 442, New Survey No. 857 Vill :- Untava, Ta:- Kadi, Dist:- Mehsana, Land at Survey No. 682, Village: Sarsav, Taluka: Kadi, District: Mehsana.
Plant Capacity (after proposed expansion)	- Stainless Steel Seamless Tubes, Pipes & U Tubes- 20,068 MTPA. - Stainless Steel Welded Tubes & U Tubes- 13,150 MTPA.

Proposed Product mix	- Stainless Steel Seamless Pipes - Stainless Steel Seamless Tubes - Stainless Steel Seamless U Tubes - Stainless Steel Instrumentation Tubes - Stainless Steel Welded Tubes
Raw Material	- Stainless Steel Roundbar - Stainless Steel Seamless - CR SS Coils – Existing raw materials for welded tubes - HR SS Coils- Proposed raw material for welded tubes
Current status	- The promoters have identified the land and have already acquired the land. - The Company has obtained budgetary quotations from reputed Plant and Machinery suppliers and presently negotiations are underway.
Estimated Project Cost	INR 1049.84 million.
Equity (IPO)	INR 1049.84 million.

Scope of Work

D&B-India has been appointed for conducting a Project Cost Vetting study for the Project. The scope of work was finalized as under:

- Capex Analysis
 - Assessment of land development cost
 - Assessment of building and civil cost
 - Assessment of plant & machinery cost
 - Assessment of reasonableness of the project cost

Date of Inspection

D&B India has conducted site visit of the Proposed project of STL on 23rd April 2025. The purpose of the visit was to get information about the project.

Site Visit Pictures

The Site pictures is as shown below







Welded Expansion progress



Following are the site visit observations of Seamless Pipes Expansion unit:

- Land levelling work up to approximately 6 feet is currently in progress.
- Machine Foundation work for mill setting is observed to be underway.
- The shed outline will base has been constructed, boundary wall has been prepared.
- Plinth RCC work is yet to be carried out.
- Temporary entry access from the existing unit area is available.
- As per the layout, the movement of mother hollows to the proposed unit will be facilitated by a rail lorry.
- The first container for the mills has been received, progress on the installation of other domestic machinery is ongoing.

Regarding Welded pipes unit the work is yet to commence on site.

Team for Inspection

The Team of Consultants who have worked on the project has been mentioned below –

Mr. Snehal Das Gundala – has completed Bachelor of Technology in Electronics & Electrical in 2009 from Kalinga Institute of Industrial Technology, Bhubaneswar (KIIT) and Post Graduate Diploma in Business Management from Xavier Institute of Management Bhubaneswar (XIMB) in 2014. He has over 11 years work experience, with 3 years of technical experience as an electrical engineer at thermal and hydro power plants and over 9 years of experience in project advisory and structured finance for infrastructure projects, such as road, power, steel and EPC companies, fund raising and monetization of real estate projects and credit rating assessment of corporates in various industries like pharma, print, sugar, FMCG.

Mr. Swapnil Bhatkar- holds a bachelor's degree in Mechanical Engineering and MBA Finance. Work experience in Plant Design, Financial Feasibility and Management Consultancy. Professional work experience with Thyssenkrupp Gmbh, Mott Macdonald and Dun and Bradstreet Tangram in past 13 years. Domain area include Plant design, Cost Analysis, Production Bottlenecks and Business Process Reengineering (BPR). The sectors which have extensively work are steel, pharmaceutical, Metals and Auto ancillaries.

Mr Anurag Barot (Regional Head)	<i>Anurag Barot</i>
Mr Kallol Debnath (Associate Director, Operations)	

Project Cost

The project cost has been estimated at INR 1049.84 million . The summary of the project cost has been provided in the table below:

Project Cost (INR Million)				
Particulars	Seamless	Welded	Factor	Total
Civil & Structural Work, Site Development	148.68	168.39		317.07
Plant & Equipment & Utilities	405.73	277.05		682.78
Total Hard Cost	554.41	445.44		999.85
Contingency			5.00%	49.99
Total Soft Cost				49.99
Total Project Cost				1,049.84

Source: STL

Land Cost

The company has not acquired any new land; it operates on its own land and has additional land under lease.

Civil Cost

The civil cost including utilities is approximately INR 317.07 million, which includes INR 148.68 million for expansion of Stainless Steel Seamless Tubes, Pipes and U Tubes and INR 168.39 million for expansion of Stainless Steel Welded Tubes and U Tubes. The table below shows a detailed breakup of the building cost:

Particulars	Description	Building Total Cost (INR million)	Vendor Name
1	Supply Structure price	71.00	Navrang Steel Building System
2	Machinery Foundation Work	51.50	
3	Erection	3.50	
4	Total Cost	126.00	
	GST @ 18 %	22.68	
	Total Cost	148.68	

Source: STL

No. of Buildings	Details
Area in Sq Mts.	7746.13 SQM (O/O OF FLOOR AREA)

Source: STL

Building Dimensions are as follows:

Sr. No.	Particulars	Description
1	Frame type	MS-1/MS-2.

Sr. No.	Particulars	Description
2	Width (M)	1@18.000M C/O.2@26.653M C/O.3@20.500M C/O.OF STEEL LINE.
3	Length (M) (O/O steel Line)	145.692 M O/O OF STEEL LINE
4	Clear Height (M) From FFL	10.500 M CLEAR HT.
5	Width Module	AS PER DRG.
6	Slope	1:10
7	Bay Spacing in m	AS PER DRG .
8	Type of End Frames	HALF LOADED RIGID FRAME
9	End wall Column Spacing	AS PER DRG.
10	Bracing Type	FOR ROOF & WALL ROD BRACING.&PIPE BRACING
11	Primary Members –Surface preparation	ONE COAT OF PRIMER ZINK CROMATE OR INK PHOSPHATE + 2 COAT OF SYNTHETIC ENAMEL (TOTAL 100 MICRONS) (PAINT MAKE NEROLAC,ASIN ,BERJER)
12	Secondary member- surface preparation	96MM X48MM BOX PIPE

Source: STL

Details of Roof Systems are as follows:

Sr. No.	Particulars	Description
1	Sheeting Profile	NR-32 -250 (PPGL)
2	Thickness of sheet (TCT)	0.50 TCT
3	Material of Construction	COLOR COATED GALVALUME (JSW ,BHUSHAN,TATA) AZ-150.
4	Eave Gutter /Eave trim /valley Gutter	COLOR COATED
5	No .of Framed openings, size location	AS PER DRAWING
6	Gutter	EAVE GUTTER

Source: STL

Details of Wall System (Inside & Outside) are as follows:

Sr. No.	Particulars	Description
1	Wall Cladding Profile	NW- 32-250 (PPGL)
2	Thickness of sheet (TCT)	0.50 mm TCT
3	Material of construction	Colour coated Galvalume RMP, AZ150-GSM (JSW,BHUSHAN,TATA)
4	Downspout	UP TO FFL
5	No. Framed opening ,size ,location	AS PER DRAWING

Sr. No.	Particulars	Description
6	Brick wall height	3.0 M HIGH BRICKWALL ABOVE CLADDING AS PER PROPOSAL SKETCH

Source: STL

Civil cost Details for expansion of Stainless Steel Welded tubes and U tubes are as follows:

Particulars	Description	Building Total Cost (INR million)	Vendor Name
1	Supply Structure Price	54.00	Navrang Steel Building System
2	Civil Work for Building	48.60	
3	Civil Work for Compound Wall	19.00	
4	Civil Work for Office Building / Labour Quarter	18.60	
5	Erection	2.50	
	Total Cost	142.70	
	GST @ 18 %	25.69	
	Total Cost	168.39	

Source: STL

No. of Buildings	Details
Area in Sq Mts.	5250.00 SQM (O/O OF FLOOR AREA)

Source: STL

Building Dimensions are as follows:

Sr. No.	Particulars	Description
1	Frame type	CLEAR SPAN.
2	Width (M)	<u>1 @ 30.000M O/O OF STEEL LINE.</u>
3	Length (M) (O/O steel Line)	175.000 M O/O OF STEEL LINE
4	Clear Height (M) From FFL	10.500 M CLEAR HT.
5	Width Module	AS PER DRG.
6	Slope	1:10
7	Bay Spacing in m	AS PER DRG .
8	Type of End Frames	HALF LOADED RIGID FRAME
9	End wall Column Spacing	AS PER DRG.
10	Bracing Type	FOR ROOF & WALL ROD BRACING.&PIPE BRACING

Sr. No.	Particulars	Description
11	Primary Members –Surface preparation	ONE COAT OF PRIMER ZINK CROMATE OR INK PHOSPHATE + 2 COAT OF SYNTHETIC ENAMEL (TOTAL 100 MICRONS) (PAINT MAKE NEROLAC,ASIN ,BERJER)
12	Secondary member- surface preparation	96MM X48MM BOX PIPE

Source: STL

Details of Roof Systems are as follows:

Sr. No.	Particulars	Description
1	Sheeting Profile	NR-32 -250 (PPGL)
2	Thickness of sheet (TCT)	0.50 TCT
3	Material of Construction	COLAR COATED GALVALUME (JSW ,BHUSHAN,TATA) AZ-150.
4	Eave Gutter /Eave trim /valley Gutter	COLOR COATED
5	No .of Framed openings, size location	AS PER DRAWING
6	Gutter	EAVE GUTTER

Source: STL

Details of Wall System (Inside & Outside) are as follows:

Sr. No.	Particulars	Description
1	Wall Cladding Profile	NW- 32–250 (PPGL)
2	Thickness of sheet (TCT)	0.50 mm TCT
3	Material of construction	Colour coated Galvalume RMP, AZ150-GSM (JSW,BHUSHAN,TATA)
4	Downspout	UP TO FFL
5	No. Framed opening ,size ,location	AS PER DRAWING
6	Brick wall height	3.0 M HIGH BRICKWALL ABOVE CLADDING AS PER PROPOSAL SKETCH

Source: STL

The Civil Quotation for Seamless Section is dated 02nd February 2025, with a validity period of 06 months from the date of quotation. Similarly, the Civil Quotation for Welded Section is dated 03rd February 2025, with a validity period of 06 months from the date of quotation.

Further to above table D&B-India notes

Comments on Civil Cost	
Area to be constructed	Seamless pipe building built-up area = 7746.13 sqm or 83,346 sqft. Welded pipe building built-up area = 5250 sqm or 56,490 sqft.
Type of Building/ Construction	A/C Shed for main plant & machinery - PEB Steel structure Building Plaster Brick Masonry wall, 100 mm Thick Trimix Flooring & Painting.
Adequacy of building	Based on D&B India assessment, the proposed building plan and required area for the plant is adequate.
Reasonableness of Cost	- The estimated INR 1,784 per sqft (inclusive of GST) for seamless and INR 2,980 per sqft for welded pipe unit which is reasonable considering that Seamless unit is located in existing location whereas Welded is located at new greenfield location. - The office building / labour quarter is approximately 18,000 sqft to be constructed at INR 1,033 per sqft which is reasonable. - The detail dimension of boundary wall and specification of boundary wall are awaited post detailed engineering
Document Validated	BOQ and budgetary quotation

Plant Machinery and Utility

The plant and machinery cost for expansion of **Stainless Steel Seamless Tubes, Pipes & U Tubes** is summarized below:

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost	GST @18%	Total Cost (INR million)	Vendor Names	D&B Comment
Solution Annealing Furnace	March 29, 2025	4-5 months	July 29, 2025	36 to 45 week from techno & commercial confirm order.	-	1	14.80	2.66	17.46	Nikrol Therm	Quotation is found to be in order
Pump Set	March 29, 2025	4-5 months	July 29, 2025	10 TO 12 WEEKS FROM THE DATE OF P.O	HNSPL/QT/P/STL-170824/R0	1	0.22	0.04	0.26	Hiro Nisha Systems Private Limited	Quotation is found to be in order
Flow-Tech Cooling Tower	March 29, 2025	4-5 months	July 29, 2025	One Week	CT1160/000148	1	0.44	0.08	0.52	Flow Tech Equipment	Quotation is found to be in order
Crane	March 30, 2025	-	July 31, 2025	45-90 days from date of technically and commercially clear order	108/R0/STL/2024	1	50.54	9.10	59.64	Alfa Engineers	Quotation is found to be in order

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost	GST @18%	Total Cost (INR million)	Vendor Names	D&B Comment
El. Control Panel For Plant Distribution & Pilger	March 29, 2025	-	July 31, 2025	Will be confirmed by Company before placing the order	QT-24250047	1	20.39	3.67	24.06	Cismac Automation Private Limited	Quotation is found to be in order
Electrical Fittings	March 30, 2025	4-5 months	July 30, 2025	2 days after confirm order	Q-GEW-2425-001	1	19.82	3.57	23.39	GEW Electro Power Projects Private Limited	Quotation is found to be in order
Dg Set	March 29, 2025	-	July 31, 2025	4-6 weeks from date of technically and commercially clear order	GTE/15/F.Y.24-25	1	3.55	0.64	4.19	Gentech Engineers	Quotation is found to be in order
Heat Exchanger	March 29, 2025	4-5 months	July 29, 2025	2 to 3 weeks	82071.1	1	0.42	0.08	0.50	Aastha Corporation	Quotation is found to be in order
Pp Tank	March 29, 2025	16-20 Weeks	July 19, 2025	8-10 weeks from date of technically and	QO 6403	1	3.16	0.57	3.73	Arvind Anticor Limited	Quotation is found to be in order



Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost	GST @18%	Total Cost (INR million)	Vendor Names	D&B Comment
				commercially clear order							
Pilger - BE - 30	March 31, 2025	90-180 days	June 30, 2025	4-5 Month .	114/2024	4	84.74	15.25	99.99	Bajrang Engineers	Quotation is found to be in order
Pilger - BE - 50	March 31, 2025	90-180 days	June 30, 2025	4-5 Month .	114/2024	4	96.61	17.39	114.00	Bajrang Engineers	Quotation is found to be in order
Pilger - BE - 100	March 31, 2025	90-180 days	June 30, 2025	4-5 Month .	114/2024	1	27.54	4.96	32.50	Bajrang Engineers	Quotation is found to be in order
Ultrasonic Testing System	Mar 29, 2025	4-5 months	July 29, 2025	9-10 months after receipt of Techno-commercially clear order.	EECI:UT:STL:04:2024:0081	1	21.60	3.89	25.49	Electronic & Engineering Co I Pvt Ltd Div: Pi Industries	Quotation is found to be in order
Total Plant and Machinery Cost									405.73		

Source: STL



The plant and machinery cost for expansion of **Stainless Steel Welded Tubes & U Tubes** is summarized below:

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
Tube Mill 220 M	March 29, 2025	-	July 31, 2025	5 Months from the date of receipt of your Technically & Commercially clear Order	MC/213/2024-25	1	61.12	11.00	72.12	Parth Equipment Ltd	Quotation is found to be in order
Tube Mill 140 M	March 29, 2025	-	July 31, 2025	5 Months from the date of receipt of your Technically & Commercially clear Order	MC/213/2024-25	2	45.90	8.26	54.16	Parth Equipment Ltd	Quotation is found to be in order
Tube Mill 65 M	March 29, 2025	-	July 31, 2025	5 Months from the date of receipt of	MC/213/2024-25	3	28.27	5.09	33.36	Parth Equipment Ltd	Quotation is found to be in order

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
				your Technically & Commercially clear Order							
Slitting Machine	March 30, 2025	120 Days	July 28, 2025	180 days after down payment	QQ2019H096	1	25.61	4.61	30.22	Guangdong Quanqi Equipment Co.,Ltd	Quotation is found to be in order
Solution Annealing Furnace 12.70 to 219.08	March 30, 2025	4-5 Months	July 30, 2025	36 to 38 week from techno & commercial confirm order.	-	1	9.65	1.74	11.39	Nikrol Therm	Quotation is found to be in order
Compressor	March 30, 2025	-	July 31, 2025	Within 5 days	AME/24-25/00322	1	0.56	0.10	0.66	Air Master Engineers	Quotation is found to be in order
Pickling Bath 1 mtr X 1 mtr X 12 mtr	March 29, 2025	-	July 31, 2025	10 to 12 weeks from date of technically &	QO 6416	1	0.77	0.14	0.91	Arvind Anticor Ltd	Quotation is found to be in order



Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
				commercial clear purchase order with advance.							
1.3 mtr X 1.3 mtr X 8 mtr with duct	Mar 29, 2025	-	July 31, 2025	10 to 12 weeks from date of technically & commercial clear purchase order with advance.	QO 6416	1	2.76	0.50	3.26	Arvind Anticor Ltd	Quotation is found to be in order
1.3 mtr X 1.3 mtr X 8 mtr without duct	March 29, 2025	-	July 31, 2025	10 to 12 weeks from date of technically & commercial clear	QO 6416	1	1.04	0.19	1.22	Arvind Anticor Ltd	Quotation is found to be in order

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
				purchase order with advance.							
1.3 mtr X 1.3 mtr X 8 mtr without duct with heating up to 90Deg	March 29, 2025	-	July 31, 2025	10 to 12 weeks from date of technically & commercial clear purchase order with advance.	QO 6416	1	0.75	0.14	0.89	Arvind Anticor Ltd	Quotation is found to be in order
Scrubber System of 25 HP	March 29, 2025	-	July 31, 2025	10 to 12 weeks from date of technically & commercial clear purchase	QO 6416	1	1.84	0.33	2.17	Arvind Anticor Ltd	Quotation is found to be in order

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
				order with advance.							
Filter Press	March 29, 2025	4-5 Months	July 29, 2025	Within 30 to 45 days from the Date of Advance.	Q07390	1	0.95	0.17	1.12	Amar Plastics	Quotation is found to be in order
Eot Crane Double Girder 24 mtr span	March 30, 2025	-	July 31, 2025	45-90 days from the date of technically & commercially clear order along with approval	109/R0/STL/2024	1	18.00	3.24	21.24	Alfa Engineers	Quotation is found to be in order
Eot Crane Double Girder 24 mtr span	March 30, 2025	-	July 31, 2025	45-90 days from the date of technically & commercially clear order	109/R0/STL/2024	1	5.40	0.97	6.37	Alfa Engineers	Quotation is found to be in order



Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
				along with approval							
Eot Crane Double Girder 24 mtr span	March 30, 2025	-	July 31, 2025	45-90 days from the date of technically & commercially clear order along with approval	109/R0/STL/2024	1	26.46	4.76	31.22	Alfa Engineers	Quotation is found to be in order
Eddy current tester 12.70 to 114.30	March 30, 2025	4-5 Months	July 30, 2025	Within 4-5 months	S-251/FTSPX- OFF/QT/BSB/348	1	2.69	0.48	3.17	TechnoFour	Quotation is found to be in order
Hardness Tester	-			-	-		-	-	-	-	Not Considered
Universal Tensile Machine*	March 30, 2025	-	July 31, 2025	8-10 weeks from receipt of advance	FMI/QTN/24- 25/2968	1	1.49	0.27	1.76	Fine Manufacturing Industries	Quotation is found to be in order



Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
PMI	Mar 29, 2025	16-20 weeks	July 31, 2025	10 working days after receipt of payment and completion of licensing requirements	Sigma/STL/251	1	1.25	0.23	1.48	Sigma Instruments	Quotation is found to be in order
Microscope	Mar 31, 2025	-	July 31, 2025	Normally Ex-Stock otherwise 3 to 4 weeks from the date of receipt of your confirmed Purchase Order	BEPL-2024-2025-QUO-589	1	0.28	0.05	0.33	Banbros Engineering Pvt. Ltd.	Quotation is found to be in order
Total Plant &									277.05		

Particulars	Date	Quotation Validity	Validity Date	Delivery Terms	Document No	Quantity	Cost (INR)	GST @18 %	Total Cost (INR million)	Vendor Names	D&B Comment
Machinery Cost											

Source: STL

Universal Tensile Machines offer precise and consistent measurements of material properties, enable simultaneous performance of multiple tests to save time and resources, and facilitate the recording and analysis of extensive data to identify trends and optimize materials effectively.

Major Plant & Machinery Vendor profile are as given below:

Vendors Name	Vendors Profile	Value as per the quotation given (Seamless & Welded)
Hiro Nisha Systems Private Limited	Hiro Nisha is one of the India's oldest manufactures and suppliers of high pressure plunger pumps located in Gujarat. Known for its strong design capabilities and adherence to high manufacturing standards, the Company develops pumps based on API 674 standards for oil and gas and other industrial applications. The operating revenue for FY 24 is approx. INR 20+ crore	INR 0.25 million
Flow Tech Equipment	Established in 2010 and based in Ahmedabad, Gujarat, Flow – Tech Equipment is a manufacturer and supplier of FRP cooling towers and components, including cooling tower fans, FRP cooling towers and spray nozzles.	INR 0.52 million
Alfa Engineers	Established in 2010, Alfa Engineers is a supplier of material handling equipment, including EOT cranes and wire rope electric hoists, based in Ahmedabad the Company is recognized as leading seller in its product category.	INR 118.47 million



Vendors Name	Vendors Profile	Value as per the quotation given (Seamless & Welded)
Cismac Automation Private Limited	Cismac Automation Pvt Limited, established in 2016 based in Chiloda Ahmedabad, specializes in providing innovative automation solutions to enhance operational efficiency across various industries including textile, metal water and other sectors. In addition to manufacturing control panels and cable harnessing, CISMALC provides electrical engineering, commissioning and Industry 4.0 solutions.	INR 24.06 million
GEW Electro Power Projects Pvt Ltd	Established in 1996 as a private limited company, GEW Electro Power Projects Private Limited is a wholesaler and retailer of electric control panels and power contractors. Based in Chhatral, Gujarat, the company provides a range of electrical solutions to meet industry requirements. The Annual Turnover of the Company is approx. INR 5+ crore.	INR 23.39 million
Aastha Corporation	Founded in 2003, Aastha Corporation is a wholesale trader of plate heat exchangers, PHE plates, rubber gaskets, air and oil coolers, and related products. Based in Ahmedabad, Gujarat the company sources its product from reputable vendors to ensure quality and compliance with industry standards. The Annual Turnover of the Company is approx. INR 01+ crore.	INR 0.50 million
Arvind Anticor Ltd	Established in 1996, Arvind Anticor Limited is a prominent manufacturer and exporter of thermoplastic and pollution control systems. Their product range includes polypropylene pickling tanks, chemical storage tanks, galvanizing plants, and acid fume extraction systems. The operating revenue for FY 24 is approximately INR 20+ crore	INR 12.17 million
Electronic & Engineering Co. I Pvt Ltd	Electronic & Engineering Company (I) Pvt Ltd an ISO 9001:2008 accredited company, has been manufacturing and supplying Non- Destructive Testing solutions since 1958. Headquartered in India, Mumbai EECL serves industries such as steel, aerospace, automotive, oil and gas.	INR 25.49 million
Parth Equipment Ltd	Parth Equipment Limited established in 1988 based in Ahmedabad, Gujarat, specializes in engineering and manufacturing plants for producing stainless steel and carbon steel tubes, their product portfolio includes	INR 159.64 million

Vendors Name	Vendors Profile	Value as per the quotation given (Seamless & Welded)
	tube mills for stainless and carbon steel, high frequency tube mills, draw benches and many other products. The operating revenue for FY 23 is approx. 25+ crore	
Air Masters Engineers	Established in 2005 and based in Ahmedabad, Gujarat. The Company is engaged in manufacturing, trading and supplying lubricated compressors, heavy duty industrial compressors and dry vacuum pumps. The Company focuses on delivering high performance, reliable and low maintenance solution to its client.	INR 0.66 million
Amar Plastics	Amar Plastics, located in Chhatral, Gujarta, specializes in manufacturing filter press, filter plates and related accessories. Their product range includes various sizes of filter presses and plates, designed to meet diverse industrial filtration needs.	INR 1.12 million
TechnoFour	Founded over 50 years ago, Technofour based in Pune, specializes in Eddy Current Non- Destructive Testing (NDT) system. Technofour has expanded into ultrasonic NDT, magnetic flux leakage systems and Barkhausen emission analyzers, offering innovative products such as the EddyUSB, UTSB and EddyBLU. The Annual Turnover of the Company is approx. INR 5+ crore .	INR 3.18 million
Sigma Instruments	Sigma Instruments, based in Mumbai, specializes in analytical products and instrumentation for industries such as metals, oils, pharmaceuticals healthcare and research. The company provides advanced technology system for material research, testing, analysis, and inspection, catering to R&D, process control and quality assurance needs. Their product range includes level gauges, level switches, tank level indicators, sight flow indicators and flow switches.	INR 1.48 million
Banbros Engineering Pvt Ltd	Established in 1995 and based in Ghaziabad, UP, the company is a manufacturer and exporter of grinding and polishing machines, hardness testing machines, impact testing machines, environmental test chambers and non- destructive inspection instruments. The company supplies equipment across various sectors under brand name Banbros and export its products globally.	INR 0.33 million

Vendors Name	Vendors Profile	Value as per the quotation given (Seamless & Welded)
Navarang Steel Building Systems	Navarang Corporation and Navarang Steel Building System, registered in 2016 and based in Unjha Gujarat, specializes in providing prefabricated building and structure services. The company offers expertise in designing and delivering prefabricated solutions tailored to client requirements.	INR 317.07 million
Guangdong Quanqi Equipment Co. Ltd	Guangdong Quanqi Equipment Co. Ltd based in Foshan City Guangdong Province is a high tech enterprise specializing in the R&D, production and sales of high precision steel coil slitting lines, cut to length lines and rotary sheets. The Company focuses on technological innovation, quality control and reliable system solutions to enhance client value.	INR 30.21 million
Bajrang Engineers	Bajrang Engineers is a proprietorship firm located on Chhatral – Isand Road, Chhatral, having an approximate annual turnover of INR 01+ crore.	INR 246.50 million
Fine Manufacturing Industries	Fine Manufacturing Industries, based in Miraj, Maharashtra, is part of the Fine Group of Industries, specializing in the development, manufacturing, and export of material testing machines and hardness tester for over 35 years. They produce Pendulum Impact, Universal, Torsion, Fatigue, Tensile, and Spring Testing Machines, along with Rockwell, Brinell, and Vickers Hardness Tester	INR 1.76 million
Nikrol Therm	Nikrol Therm, a proprietorship located in Kalol, Gujarat, is supplying solution annealing furnace to the Company	INR 28.85 million
Gentech Engineers	Gentech Engineers, a proprietorship firm located in Mehsana Gujarat, is a distributor of Kirloskar products and is supplying DG set to the Company.	INR 4.19 million

Further to the above table D&B-India notes

	Comments on P&M and MFA
Document Validated	Quotations from: 1. Nikrol Therm 2. Hiro Nisha Systems Pvt Ltd 3. Flow Tech Equipment 4. Alfa Engineers 5. Cismac Automation Pvt Ltd 6. GEW Electro Power Projects Pvt Ltd 7. Gentech Engineers 8. AASTHA Corporation 9. Bajrang Engineers 10. Electronic & Engineering Co I Pvt Ltd: PI Industries 11. Parth Equipment Ltd 12. Guangdong Qunaqi Equipment Co Ltd 13. Air Masters Engineers 14. Amar Plastics
Quotations Received	The Company has obtained quotations for 100% by value of P&M Cost
Quotations-Remarks/ Issues	Regarding P&M cost, all quotations are found to be in order
Comparative Study of Quotation & technology of different machinery suppliers	Company has obtained 2/3 quotations for each machinery and the most preferred vendor is shortlisted. D&B-India notes that the vendors selected are of repute and company should obtain critical spares and performance guarantee for each equipment.
Suitability of the Technology	The technology chosen by the Company is well established and suitable for the proposed project.
Adequacy of Plant & Machinery	The proposed machinery is adequate to meet the requirement of the proposed project.
Technical arrangements/ Technical Know How	NA
Reasonableness of Cost	Reasonable
Supplier's Credential	As detailed above
Whether EPC arrangement is done/whether appointed any PMC	NA

	Comments on P&M and MFA
In case of second hand machine, availability of Chartered Engineer certificate about residual life & vintage life is available.	NA
Note on balancing equipment's/ Jigs & Fixtures	NA

Contingency

A contingency provision is made at 5.00% of hard cost to cover the cost of unforeseen items. The contingency amount is envisaged to be INR 49.99 million.

In the initial planning phase of the expansion project to establish a seamless steel tubes and pipes manufacturing plant, a 5% contingency to address various potential risks and cost uncertainties that are characteristic of projects at this early stage. This contingency serves as a financial safeguard, especially since the project's budget is currently based on preliminary quotations that are yet to be finalized through negotiation. These early estimates may vary due to several factors, including fluctuations in raw material prices, changes in labor costs, and unforeseen site preparation requirements that often emerge as the project progresses.

Furthermore, the project involves the procurement of imported machinery from China, introducing additional layers of risk. Exchange rate volatility poses a direct financial risk, as fluctuations in currency values could lead to increased costs for the machinery. Import-related charges, such as customs duties, taxes, and evolving international trade policies, could also unexpectedly raise expenses. Shipping costs, which can be unpredictable due to market shifts and supply chain disruptions, represent another area of potential cost inflation.

The complexity of seamless steel tube manufacturing demands precision equipment and may require unexpected adjustments in machinery specifications to meet technical or regulatory standards. Additionally, unforeseen regulatory requirements, especially those related to environmental compliance, could add to the initial costs, as may potential delays in securing permits and approvals. The 5% contingency thus provides a conservative and industry-standard buffer that allows the project to navigate these financial variances without compromising on quality or timeline. By accounting for these diverse risks upfront, the Company can mitigate the impact of any unexpected costs, maintaining the project's financial health and ensuring smooth progress toward its completion.

Implementation schedule

The phase wise implementation schedule for seamless section is as shown below.

Seamless	Start Date	End Date
Basic & Detailed Engineering	Sep-24	Dec-24
Approvals and Clearances	Oct-24	Dec-25
Building and Civil Works	Oct-24	Jun-25
Ordering of Plant and Machinery	Nov-24	Aug-25
Receipt of Plant and Machinery	May-25	Sep-25
Erection of Plant and Machinery	Sep-25	Nov-25
Trail Runs and Commissioning	Nov-25	Dec-25
Commercial Production	Jan-26	

Source: STL

Implementation Schedule	FY25	FY25	FY25	FY26	FY26	FY26	FY26
Seamless	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Basic & Detailed Engineering							
Approvals and Clearances							
Building and Civil Works							
Ordering of Plant and Machinery							
Receipt of Plant and Machinery							
Erection of Plant and Machinery							
Trail Runs and Commissioning							
Commercial Production							

The project timeline for Seamless production is as follows: Basic and Detailed Engineering will occur from September 2024 to December 2024. Approvals and Clearances are scheduled from October 2024 to December 2025. Building and Civil Works are planned from October 2024 to June 2025. The Ordering of Plant and Machinery will take place from November 2024 to August 2025, with the Receipt of Plant and Machinery occurring between May 2025 and September 2025. Erection of Plant and Machinery is set for September 2025 through November 2025. Trial Runs and Commissioning will be conducted from November 2025 to December 2025, with Commercial Production slated to begin in January 2026.

The phase wise implementation schedule for welded section is as shown below.

Welded	Start Date	End Date
Basic & Detailed Engineering	Sep-24	March-25
Approvals and Clearances	Oct-24	June-25
Building and Civil Works	June-25	Nov-25
Ordering of Plant and Machinery	June-25	July-25
Receipt of Plant and Machinery	August-25	Nov-25
Erection of Plant and Machinery	Nov-25	Jan-26
Trail Runs and Commissioning	Jan-26	March-26
Commercial Production	Mar-26	

Source: STL

Implementation Schedule	FY25	FY25	FY25	FY26	FY26	FY26	FY26
Welded	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Basic & Detailed Engineering							
Approvals and Clearances							
Building and Civil Works							
Ordering of Plant and Machinery							

Receipt of Plant and Machinery							
Erection of Plant and Machinery							
Trail Runs and Commissioning							
Commercial Production							

Source: STL

The project timeline Welded production is as follows: Basic and Detailed Engineering will occur from September 2024 to March 2025. Approvals and Clearances are scheduled from October 2024 to June 2025. Building and Civil Works are planned from June 2025 to November 2025. The Ordering of Plant and Machinery will take place from June 2025 to July 2025, with the Receipt of Plant and Machinery occurring between August 2025 and November 2025. Erection of Plant and Machinery is set for November 2025 through January 2026. Trial Runs and Commissioning will be conducted from January 2026 to March 2026, with Commercial Production slated to begin in March 2026.

Utilisation of Pre-IPO Proceeds

The Company has raised INR 550 million through the Pre - IPO placement, the utilization details as provided by Company is as shown in table below:

Purpose	Category as per DRHP	Amount in INR (million)
Advance towards Plant & Machinery and Civil work	Capital Expenditure towards expanding production capacity of Seamless and Welded tubes and pipes	279.94
Repayment of loan and bank charges	General Corporate Purpose	68.93
Pre – IPO Expenses	Issue Expenses	18.71
Balance amount as on March 31, 2025		182.42

Source: CA Certificate by Dhirubhai Shah & Co. LLP dated 8th April 2025

The Company, in consultation with the BRLM (Monarch Network Capital Limited has appointed as a Book Running Lead Manager (“BRLM”) to the issue), has undertaken a Pre-IPO Placement of 44,00,000 Equity Shares at an issue price of INR. 125/- per Equity Shares (including premium of INR. 115) for cash consideration aggregating to INR 550.00 million i.e. 20% of the Issue size on October 21, 2024.

The snapshot of utilization of Pre – IPO Proceeds as per the CA Certificate is as shown below:

Certificate of Utilization of Pre – IPO Proceeds.



CERTIFICATE ON UTILISATION OF PRE-IPO PROCEEDS

To,
The Board of Directors
Scoda Tubes Limited,
Survey No. 1566/1 Village Rajpur,
Tal. Kadi, Mehsana, Gujarat - 382740, India.

(The "Company")

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares" and such offering, the "Issue") of Scoda Tubes Limited (the "Company")

We, Dhirubhai Shah & Co LLP, Chartered Accountants, (FRN: 102511W/ W100298), are the statutory auditors of the Company. In connection with the proposed Issue of the Scoda Tubes Limited, the Company is required to obtain a report from the Statutory Auditors, with regards to the utilisation of Pre-IPO Proceeds, as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").

The Company, in consultation with the BRLM (Monarch Networth Capital Limited is appointed as a Book Running Lead Manager ("BRLM") to the issue), has undertaken a Pre-IPO Placement of 44,00,000 Equity Shares at an issue price of Rs. 125/- per Equity Shares (including premium of Rs. 115) for cash consideration aggregating to ₹ 550.00 million i.e. 20% of the Issue size on October 21, 2024.

In connection with the Pre-IPO placement, the accompanying statement of payments made from the proceeds of the Pre-IPO placement ("Pre-IPO Proceeds") contains the details as required pursuant to compliance of applicable laws and generally accepted accounting policies in India, which we have initialled for identification purposes only (hereinafter referred as the "Statement" annexed as Annexure 1)

Managements' responsibility for the Statement

The preparation of the Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for ensuring compliance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and the Companies Act, 2013, as amended ("Companies Act")

Auditor's Responsibility

Pursuant to the requirements of the arrangement, it is our responsibility to obtain limited assurance and conclude as to whether the details provided in the Statement is in agreement with the books of accounts and other records for the for the period ended March 31, 2025.

The books of accounts and other relevant records referred above, have been reviewed by us. Review of these books of accounts and other relevant records were conducted in accordance with the SRE 2410: Standards on Review Engagements issued by Institute of Chartered Accountants of India. Those Standards require that we plan and perform the review to obtain limited assurance about whether the books of accounts are free of material misstatement.

In relation to the Statement we have:

- Reviewed the books of accounts for the period ended March 31, 2025
- Reviewed relevant minutes, records produce before us.



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Branch Office : 204, Sakar Complex, Opp. Abs Tower, Old Padra Road, Vadodara - 390015.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("Revised 2016") ("Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination, as above, and the information and explanations given to us, we report that the Statement is in agreement with the unaudited books of accounts and other relevant records of the Company as produced to us for our examination

Restriction on use

This certificate is issued for the sole purpose of the Issue and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory/statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with the applicable law, and for the purpose of any defence the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Issue documents.

This certificate may be relied on by the Company, the BRLM and the Legal counsel to the Issue.

All capitalised terms not defined herein would have the same meaning as attributed to it in the Offer Documents, as applicable.

Yours faithfully,
For and on behalf of
Dhirubhai Shah & Co LLP,
Chartered Accountants
Firm Reg. No.: 102511W/ W100298



Parth S. Dadawala
Partner
Membership No. 134475
UDIN: 25134475BMIVTW7528
Place: Ahmedabad
Date: April 08, 2025
CC:
Book Running Lead Manager
Monarch Network Capital Limited,
4th Floor, 'B' Wing, Laxmi Tower, G Block,
Bandra Kurla Complex, Bandra East, Mumbai - 400051.

Legal Counsel to the Issue
M/s Crawford Bayley & Co.
State Bank Buildings
N.G.N Vaidya Marg
Fort, Mumbai 400 023

Annexure 1

The Company has pursuant to the Pre-IPO placement raised Rs. 550 million, utilization of which is provided below:

Purpose	Category as per DRHP	Amount (in million)
Advance towards plant and machinery and civil work	Capital expenditure towards expanding production capacity of seamless and welded tubes and pipes	279.94
Repayment of loan and bank charges	General Corporate Purposes	68.93
Pre -IPO expenses	Issue Expenses	18.71
Balance amount as on March 31, 2025		182.42



Source: STL

Physical Completion on site

The summary of physical completion on site as on 31st March 2025 as proposed by the Company is as shown in the table below:

Seamless Section:

Particulars	Start Date	End Date	Percentage Completion	Major tasks completed	Major tasks remaining	Remarks
Basic & Detailed Engineering	September – 2024	December – 24	100%	All Engineering drawings for Civil, Structure & Machine foundations has been prepared and decided	-	-
Approvals & Clearances	October – 2024	December – 2025	100%	Majority of approvals has been received	-	-
Building & Civil Works	October – 2024	June – 2025	70%	Civil work is under process	PEB/ Structure work is in final stages of completion	-
Ordering of Plant & Machinery	November – 2024	August – 2025	70%	Order for Pilger Mills, Cranes has already been placed	Miscellaneous machinery and related items and furnaces orders yet to be placed	-
Receipt of Plant & Machinery	May – 2025	September – 2025	0%	-	All machinery is yet to be received	-

Source: STL

Welded Section:

Particulars	Start Date	End Date	Percentage Completion	Major tasks completed	Major tasks remaining	Remarks
Basic & Detailed Engineering	September – 2024	March - 25	50%	Civil drawings and site design have been completed	Structure drawings, Machine foundation drawings are still pending	-
Approvals & Clearances	October – 2024	June – 2025	30%	GPCB NOC for CTE received, Temporary power connection for construction approval received	GPCB NOC for CTO pending, Permanent power connection pending, Natural Gas Line connection pending	-
Building & Civil Works	June – 25	November - 25	0%	-	All Construction work is pending	-
Ordering of Plant & Machinery	June – 25	July- 25	0%	-	Ordering of machinery pending	-
Receipt of Plant & Machinery	August – 25	November - 25	0%	-	Receipt of Machinery pending	-

Source: STL

Out of the total Project Cost of INR 1049.84 million, the Company has spent INR 279.94 million towards advance payment for Plant & Machinery and civil work thereby indicating financial progress of 26.67% as per CA certificate dated 8th April 2025. Financial progress tends to be ahead of physical progress due to upfront costs such as mobilization advances, procurement of material and contractor payments. Physical progress follows a lag since procurement, logistics and execution takes time. Based on the information provided by the Company, D&B-India opines the physical progress is only 15%.



Comment on Capital Cost

Based on the review of 100 % value of plant & Machinery quotations, the hard cost of the Project without contingency is estimated to be INR 999.85 million.

The Project cost envisaged has covered all the major heads, but still some modifications during detailed engineering and implementation are expected due to unforeseen items (this variation prevails across the industry). The cost for equipment is estimated based on budgetary estimates provided by the Firm. The Firm is in process of identifying reputed suppliers and will negotiate the terms with them as informed by the Management. The Firm will try to negotiate further with the plant and machinery suppliers at the time of placing the final order. Post finalization of the detailed engineering, placement of orders and depending on actual site construction the cost for the project may vary. D&B-India has considered the min and max benchmarking cost based on its experience in handling similar past projects.

D&B-India has analysed seamless steel tubes and Welded SS tubes projects in India for past few years and noted the following;

- The capital cost per MT for SS seamless tubes is in the range of INR 40,000 per MT to INR 75,000 per MT.
- This cost is directly influenced by the technology of the pipes, the proposed capacity and Machinery proposed.
- Capital cost for seamless tubes of STL is estimated to be INR 55,000 per MT which is reasonable as per the prevailing Industry benchmarks. The cost is observed to be slightly lower as the company already has a mother hollow facility. The proposed project starts from the pilger mill and thereby the capacity cost per MT is reasonable.
- The capital cost per MT for SS Welded tubes is in the range of INR 20,000 per MT to INR 30,000 per MT.
- Capital cost for Welded tubes of STL is estimated to be INR 33,000 per MT which is slightly higher as per the prevailing Industry benchmarks. This is mainly as the propose plant would be a greenfield set-up and has a relatively smaller capacity as compared to Industry peers.

Statutory Approvals

Statutory approvals for expansion of seamless pipes and tubes

Since it's an expansion of existing manufacturing facility, the Company has initial permissions and approvals for power and water supply. Further the Company is also required to have below mentioned statutory approvals in relation to the Proposed Project of seamless and welded tubes and pipes, as certified by Dun & Bradstreet Information Services India Limited pursuant to the Project Report. Details of government and other approvals in relation to the proposed expansion of seamless tubes and pipes are as follow:

Sr. No	Statutory License/ Registration/ Approvals	Authority	Stage at which approvals are required	Present Status
1.	Pollution Control- Consent to establish (CTE)	Gujarat Pollution Control Board, Gandhinagar	Before the commissioning of the factory operations	Received application no. GPCB/CCA – MH – 462(1)/ID – 23891 dated 07 th January 2025
2.	Factory License	Directorate Industrial Safety and Health, Gujarat State	Before the commissioning of the factory operations	Pending
3.	Pollution Control- Consent to operate	Gujarat Pollution Control Board, Gandhinagar	To be applied after receipt of CTE and completion of civil work	Pending

The Company is required to obtain routine approvals including factory license, approval for operating the facility which will be obtained after completion of civil work. Civil work is under progress.

The Company will file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

Statutory approvals for expansion of welded pipes and tubes

Details of government and other approvals in relation to the proposed expansion of Welded Tubes and Pipe are as follows:

Sr. No	Statutory License/ Registration/ Approvals	Authority	Stage at which approvals are required	Present Status
1	Power Supply Approval	Uttar Gujarat Vij Company Limited	Routine Approval	Applied on August 24, 2024 and pending for the approval. Copy received via SR number 12405778
2	Factory License	Directorate Industrial Safety and Health, Gujarat State	Before the commissioning of the factory operations	Pending
3	Pollution Control- Consent to establish (CTE)	Gujarat Pollution Control Board, Gandhinagar	Before the commissioning of the factory operations	Received: GPCB/MEH/CCA-3326/ID-111719/6937 dated October 01, 2024
4	Pollution Control- Consent to operate	Gujarat Pollution Control Board, Gandhinagar	To be applied after receipt of CTE and completion of civil work	Pending

5	PESO Licence	Petroleum and Explosives Safety Organization	After commissioning of the project	Pending
6	Certificate or use of Boiler/ Pressure vessel testing certificate	Office of the Director of Boiler, Gujarat State under Indian Boiler Regulation, 1950	After commissioning of the project	Pending

Civil work has not yet commenced and accordingly, no approvals are required to be obtained as of such date. The Company will file necessary applications with the relevant authorities for obtaining all final approvals as applicable, at the relevant stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

Limiting Conditions

The cost estimates for the proposed project are given on the basis of estimates, and we have also relied upon the quotations being procured for the purposes of the funding, which is attached as an annexure to the report. The revenue and costs considered are based on the findings from primary survey and secondary research, as detailed in the methodology section. There may be changes in the revenue and cost estimates depending on the market conditions. The revenue and costs are comparable to the industry benchmarks.

It has been assumed that available plant and machinery are complete and balanced along with utilities and auxiliaries.

Basis:

D&B-India's assumptions are based on the information obtained from owners, prevailing rules and regulations of statutory authorities, prevailing site conditions on the date of inspection.

Documentation:

D&B-India does not normally read leases or documents of title. D&B-India assumes, unless informed to the contrary, that each Structure has good and marketable title, that all documentation are satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature which would have a material effect on the value of interest under consideration, nor material litigation pending. Where D&B-India has been provided with documentation, D&B-India recommends that reliance should not be placed on its interpretation without verification by legal advisors.

Town Planning and Other Statutory Regulations:

D&B-India recommends that verification be obtained from legal advisors or relevant experts to the effect that:

- i. The position is correctly stated in the report.
- ii. The property is not adversely affected by any other decision made, or conditions prescribed by public authorities.
- iii. There are no outstanding statutory notices.
- iv. D&B-India's reports are prepared on the basis that the company to comply with all relevant statutory regulations, including enactment relating to fire regulations, safety and environmental considerations and stipulation of respective statutory provisions.

Physical Surveys:

D&B-India has not carried out Physical Survey and levelling exercise of the Structures and advice Owners to carry out actual Physical Survey of the site along with levels if desired. This report is based on documents forwarded to D&B-India by Owners, Government Records made available to D&B-India and on D&B-India's cursory inspection of site.

Structural Surveys:

D&B-India has not carried out a structural survey, nor has D&B-India tested the services of the Owners and D&B-India therefore does not give any assurance that any Structure or the immoveable assets are free from defects. In D&B-India's general observations, the Structures are erected normally and appear to have been maintained properly. However, no guarantee or opinion can be inferred about the conditions of Structure and Machinery about safe working of the same.

Deleterious Materials:

D&B-India does not normally carry out investigations on site to ascertain whether any Structure was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, wood wool as permanent shuttering, calcium chloride or asbestos). Unless D&B-India was otherwise informed, our report is on the basis that no such materials or techniques have been used.

Site Conditions:

D&B-India has not carried out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be put, to use, nor does D&B-India undertake archaeological, ecological or environmental surveys. Unless D&B-India is otherwise informed, D&B-India's report is on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses or delays will be incurred during the construction period due to these or any other matters related to site.

Environmental Contamination:

D&B-India has not carried out physical site surveys or environmental assessments, or investigated historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, D&B-India's report is carried out on the basis that properties are not affected by environmental contamination.

Terms relating to use of this report

This Project Cost vetting Report – SCODA Tubes Limited (hereinafter referred to as this STL) has been prepared by *Dun & Bradstreet Information Services India Private Limited* (hereinafter referred to as “D&B-India”) in respect of Steel Manufacturing at Mehsana, Gujarat (hereinafter referred to as the “Transaction”) of M/s. STL (hereinafter referred to as the “Customer”) for the internal use and reference of the Customer’s funding entity (hereinafter referred to as the “Funding Entity”) subject to what is stated hereinafter and the same forms an integral part of this Report.

The use of this Report or dissemination of contents hereof in part or full, is meant only for the purposes of the Transaction or matters relating thereto as deemed necessary by the Funding Entity, and not by any other party or for any other purpose.

D&B-India follows ethical practices in the discharge of its professional services and amongst others, as part of such ethical practices, it follows the general rules relating to honesty, competence and confidentiality, and attempts to provide the most current, complete, and accurate information as possible within the limitations of available finance, time constraint and other practical difficulties relating thereto and arising as a consequence thereof.

This Report has been prepared keeping in view the scope of work and the methodology as stated in this Report. Sources which form the basis of this Report could be broadly classified into two categories: (i) the facts gathered by D&B-India by way of a visit to the site of the project relating to the Transaction, or the government offices, to the extent possible, having regard to practical constraints, and (ii) documents and information as furnished by the Customer or the Funding Entity. D&B-India has not carried out any independent verification for the accuracy or the truthfulness of such information which is believed to be accurate, updated and complete based on the information as furnished by the Customer, the Funding Entity and partly on its own information as stated hereinabove. Accordingly, the said information is not warranted by D&B-India for its accuracy, completeness, or being up to date, and is subject to further verification.

This Report includes assessment and projections made by D&B-India which are based on the aforesaid sources and the methodology as adopted by D&B-India. A variation in such assessment and projections is possible due to changes in the obtaining facts and circumstances as they existed at the point of time this Report was finalised by D&B-India and the approach or methodology adopted in respect thereof. Differences between projected and actual results are possible as events and circumstances, as anticipated or contemplated, may or may not occur and such differences may be material in nature. Under the circumstances, no assurance can be provided or implied that these projections will actually materialize.

Therefore, such assessment and projections made, and views based thereon included in this Report should not be treated as the sole decisive factor for any decision to be taken by the Funding Entity relating to the Transaction, and the Funding Entity has to draw its own conclusions on making independent enquiries and verifications and D&B-India cannot be held liable for any financial loss incurred by anyone based on this Report.

No representation is made by D&B-India that the information contained in this Report is exhaustive or includes all such material information which may have a bearing on the future performance of the Customer. In case the Funding Entity needs any such additional information, documents, or analysis, which is not within the scope of work as included in this Report, D&B-India may, on the request of the Funding Entity, consider providing the same, subject to such additional payment for the purpose as may be mutually agreed upon between D&B-India and the Funding Entity.

D&B-India or its associates in any capacity; viz.; directors, employees, advisers, or other, do not make any further express or implied representation or warranty, or assume any responsibility or liability in respect thereof or arising in connection with or as a consequence of, any decision made or action taken, by the Funding Entity or any other party, unless it could be directly attributed to D&B-India or associates for their act or omission.

The Report should be read as a whole so as to avoid any divergence with respect to the inferences on account of a partial reading of this Report where such inferences may be based on the entirety of this Report. Further, notwithstanding anything to the contrary, liability, if any, and the amount of claim by the Funding Entity in relation thereto against D&B-India or its associates for any inaccuracies in this Report or any cause whatsoever, and regardless of the form of the action in relation to this Report, will at all times be limited to the amount paid by the Customer to D&B-India for this Report.

D&B Solutions

Business Advisory & Consulting

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