

VALUATION REPORT OF THE PLANT AND MACHINERY



Details of the property under consideration:

Name of Owner: **M/s. Shahapur Bhagar Food LLP**

Plant & Machinery on Plot No. 10, 11 & 12, Survey No. 152, 153 & 157 at Village - Lahe, Taluka Shahapur,
District - Thane, PIN - 421 601, State - Maharashtra, Country - India

Longitude Latitude: 19°32'14.6"N 73°21'55.7"E

Valuation Done for:

State Bank of India

Stressed Assets Recovery Branch, Churchgate

6th Floor, International 16, Maharshi Karve Road, Churchgate, Mumbai - 400020,
State - Maharashtra, Country - India



www.vastukala.org

Our Pan India Presence at :

- | | | | |
|-----------|------------|-----------|--------|
| Mumbai | Aurangabad | Pune | Rajkot |
| Thane | Nanded | Indore | Raipur |
| Delhi NCR | Nashik | Ahmedabad | Jaipur |

- Regd. Office : B1-001, U/B Floor, Boomerang,
Chandivali Farm Road, Andheri (East),
Mumbai - 400 072, (M.S.), INDIA
TeleFax : +91 22 28371325/24
mumbai@vastukala.org

INDEX

	Contents	Page No.
1.	VALUATION OPINION REPORT	3
2.	VALUATION REPORT (IN RESPECT OF PLANT AND MACHINERY)	4
3.	VALUATION RATIONALE	5
4.	DOCUMENTS REFERRED	8
5.	DETAILS OF PLANT AND MACHINERY	9
6.	DECLARATION CUM UNDERTAKING (Annexure-IV)	10
7.	ACTUAL SITE PHOTOGRAPHS	13
	ACTUAL SITE PHOTOGRAPHS	15
	ACTUAL SITE PHOTOGRAPHS	15
8.	ROUTE MAP OF THE PROPERTY	17
9.	ASSUMPTIONS, CAVEATS, LIMITATION AND DISCLAIMERS	18
10.	MODEL CODE OF CONDUCT FOR VALUERS (Annexure V)	20
11.	DEFINITION OF VALUE FOR THIS SPECIFIC PURPOSE	22
12.	VALUATION OF MOVABLE ASSETS	24

Think.Innovate.Create



1. VALUATION OPINION REPORT

This is to certify that the Plant & Machinery on Plot No. 10, 11 & 12, Survey No. 152, 153 & 157 at Village - Lahe, Taluka Shahapur, District - Thane, PIN - 421 601, State - Maharashtra, Country - India belongs to **M/s. Shahapur Bhagar Food LLP.**

Boundaries of the property: -

North	:	Internal Road
South	:	Open Plot
East	:	Nikita Enterprises
West	:	Internal Road & Open Plot

Considering various parameters recorded, existing economic scenario, and the information that is available with reference to the development of neighborhood and method selected for valuation, we are of the opinion that, the property premises can be assessed and **Fair Market value** for SARFAESI Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 purpose as below:

Particulars	Fair Market Value (₹)	Realizable Value (₹)	Distress Sale Value (₹)
Plant and Machinery	55,23,000.00	46,94,550.00	38,66,100.00

Hence certified.

For Vastukala Consultants (I) Pvt. Ltd.

Umang A.
Patel

Digitally signed by Umang A. Patel
DN: cn=Umang A. Patel, o=Vastukala
Consultants (I) Pvt. Ltd., ou=Mumbai,
email=umang@vastukala.org, c=IN
Date: 2024.01.01 18:19:00 +05'30'



Umang Ashwin Patel

Regd. Valuer

Chartered Engineer (India)

Reg. No. IBB/RV/04/2019/10803

SBI Empanelment No.- SME/TCC/2021-22/86/4



www.vastukala.org

Our Pan India Presence at :

- Mumbai
- Thane
- Delhi NCR
- Aurangabad
- Nanded
- Nashik
- Pune
- Indore
- Ahmedabad
- Rajkot
- Raipur
- Jaipur

Regd. Office : B1-001, U/B Floor, Boomerang,
Chandivali Farm Road, Andheri (East),
Mumbai - 400 072, (M.S.), INDIA
TeleFax : +91 22 28371325/24
mumbai@vastukala.org

is based on an analysis of market transactions, Valuers should also follow the guidance contained in IVS 105 Valuation Approaches and Methods.

Two methods are typically used to value machinery and equipment using the income approach, Direct Capitalization Method and Discounted Cash Flow Method.

Direct Capitalization Method involves capitalizing a 'normalized' single year net income estimated by an appropriate market-based yield. It capitalizes a projected cash flow into perpetuity and the capitalization rate that is calculated has no changes.

Discounted Cash Flow Method is a multiple period model. Using this method, future cash flows from the asset are forecasted using market stated assumptions as well as future capital and operational expenditures projected by the company. This method allows for the explicit modelling of income and expense associated with the assets. These future financial benefits are then discounted to a present-day value at an appropriate discount rate taking into account return on investment and risk.

3.1.3 Cost Approach

The cost approach is commonly adopted method for plant and equipment, particularly in the case of individual assets that are specialised or special-use facilities. In cost approach appraisal, the market price for the asset is equal to the cost, less depreciation. It yields the most accurate market value when the asset is new.

Replacement Cost New is the cost of obtaining an alternative asset of equivalent utility; this can either be a modern equivalent providing the same functionality or the cost of reproducing an exact replica of the subject asset. After concluding on a replacement cost, the value should be adjusted to reflect the impact on value of physical, functional, technological and economic obsolescence on value. In any event, adjustments made to any particular replacement cost should be designed to produce the same cost as the modern equivalent asset from an output and utility point of view. In addition, other applicable direct & indirect cost applicable in the current market conditions will be factored to arrive at current RCN for the machineries.

Reproduction Cost New Method is appropriate in circumstances where the cost of a modern equivalent asset is greater than the cost of recreating a replica of the subject asset or the utility offered by the subject asset could only be provided by a replica rather than a modern equivalent.

Under **Indexing Method**, a ratio multiplier based on applicable index of a particular category of assets in comparison to the similar index at the time of procurement/ acquisition of asset is computed. The ratio multiplier is computed from Wholesale Price Index (WPI) published by Reserve Bank of India for various categories of assets. This multiplier is then applied to historical cost to estimate the current replacement cost of the assets. Under this scenario, capitalized values in the fixed register would typically involve all direct and indirect costs and thus, no extra costs will be factored to estimate current replacement cost.

3.2 Other terminologies used

3.2.1 Depreciated Replacement Cost

In regard to the Appraisal and Guidance Notes issued by the International Valuation Standards Council (IVSC) in which the Depreciated Replacement Cost is defined as:

“The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.”

Under Cost Approach, the fair value of the Plant & Machinery component will be assessed through 'Depreciated Replacement Cost' (DRC) Method. In this approach, the Current Replacement Cost of the



assets (given the current condition of the asset) is evaluated after giving regards to parameters such as Make, Model, Capacity, Technical specification, Types of process, construction specifications, age of the Machinery, Country of origin, etc. and the same has been depreciated based on parameters such as age, physical condition of the components, remaining useful life, technical obsolescence, etc. of individual components.

3.2.2 Total Economic/ Physical life

The total economic life of the assets has been considered on the basis of economic life prescribed for various categories under Schedule II, Part C of Indian Companies Act, 2013 and Useful life of machines catalogue published by American Society of Appraisers (ASA). Wherever the age of machineries had exceeded the prescribed total economic life, typically future/ balance physical life will be adopted on the basis of physical/ working condition of the assets. It is to be noted that estimated future physical life of the machineries is based on the visual/ physical observation of the valuer as of date of inspection and no technical evaluation regarding the durability of machineries has been undertaken.

3.2.3 Scrap & Salvage Value

Salvage value is the estimated amount that an asset is worth at the end of its useful life. It is also known as scrap value or residual value and is used while determining the depreciation of an asset.

3.2.4 In-situ & ex-situ value

Under **In-situ** value, the assets will remain in their existing place and location (In-Situ) following the completion of sale. In-situ value is typically assessed in the case of assessment of Fair Value on 'going concern' basis. In this scenario, the prospective buyer for the unit would comprehend the requirement of necessary industrial infrastructure (including other indirect costs that are typically allowed for capitalization) that is required for the operations of the industry.

Under **Ex-situ** value, the assets will be removed from their existing location following the completion of sale and this typically utilized in the case of assessment of Liquidation Value or Forced Sale Value. In this scenario, adjustments are required to exclude necessary costs & charges such as foundation costs, decommissioning costs, etc.

3.3 Factors affecting the value

3.3.1 General factors

The value of P&E starts with the inspection. This is done to ascertain the condition of the plant and also to determine if the information provided to them is usable and related to the subject assets being valued. The factors generally considered during inspection are:

Asset related

- The asset's technical specification
- The remaining useful, economic or effective life, considering both preventive and predictive maintenance
- The asset's condition including maintenance history
- Any functional, physical or technological obsolescence
- Additional costs associated with additional equipment, transport, installation and commissioning etc.

Environment related



- The location in relation to the source of raw material and market for the product
- The impact of any environmental or other legislation that either restricts utilization or imposes additional operation or decommissioning costs
- Licenses to operate machineries which produce or utilize radioactive substances or toxic wastes and that may be restricted in certain countries.

Economy related

- The actual or potential profitability of the asset based on comparison of operating costs with earnings or potential earnings
- The demand for the product manufactured by the plant with regard to both macro and micro- economic factors could impact on demand
- The potential for the asset to be put to a more valuable use than the current use (i.e. HABU)

3.3.3 Factors related to imported assets

For assessing Current Replacement Cost of imported Machineries (if any), I have adopted the current price (vide replacement cost method or index method using producer price index issued by central bank of respective country) of the machineries along with prevailing currency exchange rate, duties, freight charges, commissioning costs, etc.

3.3.4 Factors related to used assets

The methodologies and approaches specified above are equitably used in the case of transferred assets. Replacement cost of second-hand machineries/ transferred equipment is assessed after taking proper consideration to the actual year of manufacturing of the plant and machineries, country of origin, actual invoice or Historic cost, etc. It is to be noted that the details related to the same has been availed from the Client as well as based on my best effort basis.

3.4 Methodology adopted

As stated earlier, the fair value of Plant and Machinery has been estimated through Depreciated Replacement Cost Method

3.5 Valuation

3.5.1 Valuation approach

Fair Value assessed is the 'in-situ' and on 'going concern' basis that assumes that the enterprise shall continue to operate and run its business and that specified fixed asset shall continue to have economic utility. Under this assessment, I have assumed that the prospective buyer for the unit would comprehend the requirement of necessary industrial infrastructure (including other indirect costs which are typically allowed for capitalization) that is required for the operations of the industry. Fair Value of the assets has been assessed on the basis of the afore-mentioned premise.

4. DOCUMENTS REFERRED

Client has provided the Copy of following documents/ Information.

- List of Plant & Machinery
- OBSERVATION
- **M/s. Shahapur Bhagar Food LLP** is having Plant & Machinery on Plot No. 10, 11 & 12, Survey No. 152, 153 & 157 at Village - Lahe, Taluka Shahapur, District - Thane, PIN - 421 601, State - Maharashtra, Country - India.



6. DECLARATION CUM UNDERTAKING (Annexure-IV)

I, Umang Patel son of Shri. Ashwin Patel do hereby solemnly affirm and state that:

- a) I am a citizen of India.
- b) I will not undertake valuation of any assets in which I have a direct or indirect interest or become so interested at any time during a period of three years prior to my appointment as valuer or three years after the valuation of assets was conducted by me.
- c) The information furnished in my valuation report dated **01.01.2024** is true and correct to the best of my knowledge and belief and I have made an impartial and true valuation of the property.
- d) I/ my authorized representative has personally inspected the property on **31.10.2023**. The work is not sub - contracted to any other valuer and carried out by myself.
- e) Valuation report is submitted in the format as prescribed by the bank.
- f) I have not been depanelled / delisted by any other bank and in case any such depanelment by other banks during my empanelment with you, I will inform you within 3 days of such depanelment.
- g) I have not been removed / dismissed from service / employment earlier.
- h) I have not been convicted of any offence and sentenced to a term of imprisonment
- i) I have not been found guilty of misconduct in my professional capacity.
- j) I have not been declared to be unsound mind
- k) I am not an undischarged bankrupt or has not applied to be adjudicated as a bankrupt.
- l) I am not an undischarged insolvent.
- m) I have not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax Appellate Tribunal, as the case may has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty
- n) I have not been convicted of an offence connected with any proceeding under the Income Tax Act 1961, Wealth Tax Act 1957 or Gift Tax Act 1958 and
- o) My PAN Card number as applicable is AMKPP9341F
- p) I undertake to keep you informed of any events or happenings which would make me ineligible for empanelment as a valuer.
- q) I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure



S. No.	Particulars	Valuer comment
	experts involved in the valuation;	Harshad Panchal – Valuation Engineer
4	Disclosure of Valuer interest or conflict, if any;	We have no interest, either direct or indirect, in the property valued. Further to state that we do not have relation or any connection with property owner / applicant directly or indirectly. Further to state that we are an independent Valuer and in no way related to property owner / applicant
5	Date of appointment, valuation date and date of report;	Date of Appointment – 31.10.2023 Valuation Date – 01.01.2024 Date of Report – 01.01.2024
6	Inspections and/or investigations undertaken;	Physical Inspection done on date 31.10.2023
7	Nature and sources of the information used or relied upon;	<ul style="list-style-type: none"> List of Plant & Machinery provided by company
8	Procedures adopted in carrying out the valuation and valuation standards followed;	Cost Approach (Replacement cost Method)
9	Restrictions on use of the report, if any;	This valuation is for the use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.
10	Caveats, limitations, and disclaimers to the extent they explain or elucidate the limitations faced by valuer, which shall not be for the purpose of limiting his responsibility for the valuation report.	Attached

Date: 01.01.2024

Place: Mumbai

For Vastukala Consultants (I) Pvt. Ltd.

**Umang A.
Patel**

Digitally signed by Umang A. Patel
DN: cn=Umang A. Patel, o=Vastukala
Consultants (I) Pvt. Ltd., ou=Mumbai,
email=umang@vastukala.org, c=IN
Date: 2024.01.01 18:19:15 +05'30'

Umang Ashwin Patel

Regd. Valuer

Chartered Engineer (India)

Reg. No. IBBI/RV/04/2019/10803

SBI Empanelment No.- SME/TCC/221-22/86/4



Vastukala Consultants (I) Pvt. Ltd.

Think. Innovate. Create

An ISO 9001:2015 Certified Company

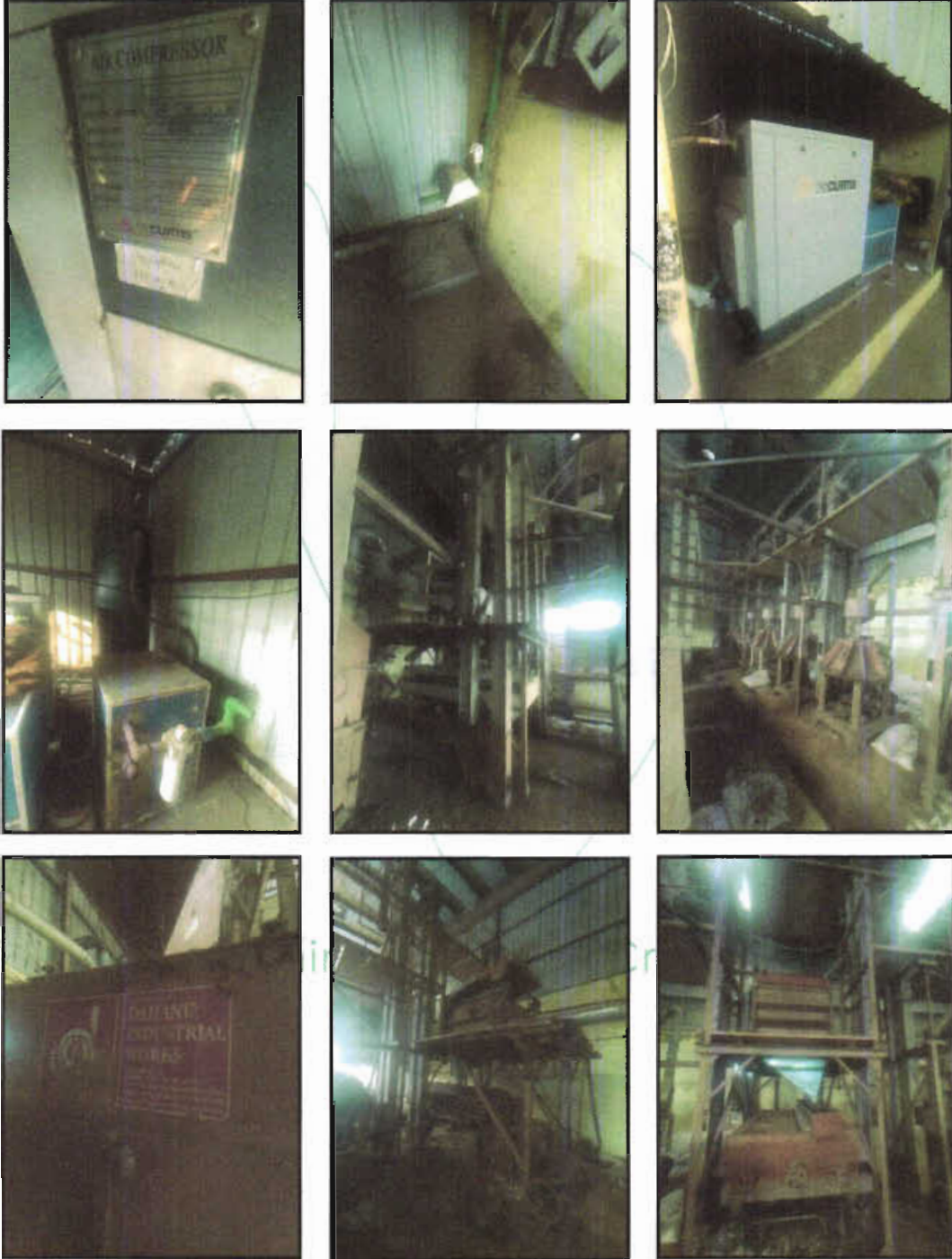
www.vastukala.org



7. ACTUAL SITE PHOTOGRAPHS



ACTUAL SITE PHOTOGRAPHS



ACTUAL SITE PHOTOGRAPHS



ACTUAL SITE PHOTOGRAPHS



Think Innovate Create



8. ROUTE MAP OF THE PROPERTY

Site u/r



Latitude Longitude: 19°32'13.4"N 73°22'00.3"E

Note: The Blue line shows the route to site from nearest railway station (Khardi – 806 Km.)

- The analysis and additional data (like company information, micro-market data) of this report is based on Publicly available information, Industry Benchmark / Standards or my Professional Judgment where the information has not been furnished by the company.
- For the purpose of this exercise, I have assumed (where sufficient ownership data has not been provided) 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; if any, I do not bear any responsibility for the same.
- The condition assessment and the estimation of useful life is based on industry standards as any visual observations / review of maintenance was beyond the scope of work.
- The inspection, due diligence and condition assessment of the asset was made by individuals generally familiar with valuation assessment of such assets. However, I do not opine nor am I responsible for its conformity to any health, safety, environmental or any other regulatory requirements that were not readily apparent to my team of experts during their inspection.
- This valuation is valid only for the purpose mentioned in this report; and neither intended nor valid to be used for any other purposes.
- 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 judgement. Hence, there is no indisputable single value. Whilst I consider my 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.
- I reserve my rights to change my conclusion at later date, if it is found that the data provided to us was not reliable, complete or accurate in any material aspect.
- For the purpose of this valuation report, the fair market value and fair value of the assets may be considered to be synonymous.
- All figures are in INR, unless mentioned otherwise. Further, round off errors (if any) arising from calculations or conversions to millions/ other units have negligible impact on the final value, therefore, can be ignored.

Think.Innovate.Create



Vastukala Consultants (I) Pvt. Ltd.
An ISO 9001:2015 Certified Company www.vastukala.org



10. MODEL CODE OF CONDUCT FOR VALUERS (Annexure V)

Integrity and Fairness

1. A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
4. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
5. A valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time.
8. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations / guidelines and techniques.
9. In the preparation of a valuation report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

Independence and Disclosure of Interest

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the company.

14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
16. A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his / its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.
17. A valuer shall not indulge in "mandate snatching" or offering "convenience valuations" in order to cater to a company or client's needs.
18. As an independent valuer, the valuer shall not charge success fee.
19. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

Confidentiality

20. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his / its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

Information Management

21. A valuer shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his /its decisions and actions.
22. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorised by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.
23. A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuers organisation with which he/it is registered, or any other statutory regulatory body.
24. A valuer while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

Gifts and hospitality:

25. A valuer or his / its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.



2. Buyer and seller are well informed and are acting prudently.
3. The property is exposed for a reasonable time on the open market.
4. Payment is made in cash or equivalent or in specified financing terms.

DECLARATION OF PROFESSIONAL FEES CHARGED

We hereby declare that our professional fees are not contingent upon the valuation findings. However, if the statute AND/OR client demands that, the fees should be charged on the percentage of assessed value then, with the full knowledge of the AND/OR end user, it is being charged accordingly.

Think.Innovate.Create



12. VALUATION OF MOVABLE ASSETS

Considering various parameters recorded, existing economic scenario, and the information that is available with reference to the industrial development and method selected for valuation, we are of the opinion that, the assets can be assessed and valued for particular purpose at:

Particulars	Fair Market Value (₹)	Realizable Value (₹)	Distress Sale Value (₹)
Plant and Machinery	55,23,000.00	46,94,550.00	38,66,100.00

Place: Mumbai
Date: 01.01.2024

For Vastukala Consultants (I) Pvt. Ltd.

**Umang A.
Patel**

Digitally signed by Umang A. Patel
DN: cn=Umang A. Patel, o=Vastukala
Consultants (I) Pvt. Ltd., ou=Mumbai,
email=umang@vastukala.org, c=IN
Date: 2024.01.01 18:19:30 +05'30'

Umang Ashwin Patel

Regd. Valuer
Chartered Engineer (India)
Reg. No. IBBI/RV/04/2019/10803
SBI Empanelment No.- SME/TCC/2021-22/86/4

Think.Innovate.Create