# 

Name of Owner:**M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.**

**Details of the property under consideration:**

**Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India.**

**VALUATION REPORT OF 1500 TCD** **JAGGERY POWDER & SOLID JAGGERY PLANT**





**Report Prepared For**

**Union Bank of India**

**Nanded Main Branch,**

**New Santkrupa Market, G.G Road, Nanded-431 601, State - Maharashtra, Country - India.**

**Vastukala Consultants (I) Pvt. Ltd.**

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Vastu/Nanded/03/2024/7468/2305346

05/25-94-APU

Date: 05.03.2024

**To,**

**Chief Manager**

**Union Bank of India,**

**Nanded Main Branch,**

**New Santkrupa Market, G.G Road, Nanded-431 601,**

**State - Maharashtra, Country – India.**

**Subject: Valuation of** **Land & Building and Plant & Equipments of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.**

Sir,

This is with reference to terms of our engagement confirming Vastukala Consultants Private Limited confirming by Chief Manager, Union Bank of India, Nanded Main Branch, New Santkrupa Market, G.G Road, Nanded-431 601, State - Maharashtra, Country - India (the ‘Client’ or the ‘Bank). We enclose the report (the ‘Report’) prepared in connection with the services requested by the Client. We have carried out the valuation of Land & Building and Plant & Equipment of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd. [The “Company”], borrower of Union Bank of India, as at 05th March 2024 (the ‘Valuation Date’).

We provided a Report to the Bank. The Report has been prepared based on the data provided by the management of the “Company”. The Report is confidential to the Client and is subject to the restrictions on use as per terms of our engagement.

We disclaim any responsibility to any other person / party for any decision of such person / party based on the Report. We draw your attention to the sections titled ‘Scope of Work’ and ‘Scope Limitations’ included in the Report, wherein we refer to the scope of work and the limitations of the work undertaken. Any person who is not an addressee in the Report is not authorized to have access to the Report. The Report should not be copied or made available in whole or in part to any person other than the Client without the express written permission of Vastukala.   
We [Vastukala] accepts no responsibility for any reliance that may be placed on the Report should it be used by any party other than the Client or for any purpose that has not been expressly agreed by Vastukala. Our name and the Report should not be referred to in any offering, circular or other document, without our prior written permission.

Yours Truly

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |

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1. **INTRODUCTION**

**Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd.** (“DSCJAPPL” or “Company”) is a Private Limited Company incorporated on 02nd March 2021. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai.

DSCJAPPL's Corporate Identification Number is (CIN) U15400MH2021PTC356141 and its registration number is 356141. Its registered address is IP-273 ,Waghalawada Nanded-431 807.

DSCJAPPL is incorporated in 2021 and started its operation since December 2022. The company is promoted by Kawale family and engaged in the manufacturing of jaggery powder. Promoters have experience of more than a decade in agro food industry through its operations in the jaggery and sugar production companies. The company has manufacturing plant of 1500 Tons crushing per day (TCD) located in Nanded, Maharashtra.

The Asset under Valuation is Land & Building and Plant & Equipment. Plant & Equipment includes Weigh Bridge, Water Supply Scheme, Machine Foundation, Plant & Machinery, ETP, DM Plant, Molasses Tank and Electrical Installation.

Pursuant to instruction from Manager, Union Bank of India, Nanded Main Branch, New Santkrupa Market, G.G Road, Nanded-431 601, State - Maharashtra, Country - India to Carry out the Valuation of Land & Building and Plant & Equipment of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd., VCIPL has completed the assignment and submitting herewith the valuation report as under.

1. **SCOPE OF VALUATION**

#### 2.1 SCOPE OF WORK: -

Union Bank of India, Nanded Main Branch, New Santkrupa Market, G.G Road, Nanded-431 601, State - Maharashtra, Country - India to Carry out the Valuation of Land & Building and Plant & Equipment of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.

The broad scope of the assignment was as detailed below:

* Inspection of Plant & Equipments for physical verification and observations of the same.
* Assessment of Fair Market Value, Realizable Value and Distress Value of Plant & Equipments ongoing-concern basis.

#### 2.2. DOCUMENTS PROVIDED FOR VALUATION: -

The following documents were perused during the said assignment:

* Audited Balance Sheet for the year ended on 31.03.2023.
* Sale Deed dated 08.08.2022 made between M/s. Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd. (Purchaser) and M/s. M.V.K. Agro Food Project Ltd. (Seller) registered at Sub Register Office Umri, having Sr. No. UMR-643- 2022 for Land bearing Gat No. 47.(Agreement Price ₹ 45,00,000/- Govt. Guideline Value = ₹1,27,39,500/- in the year 2022).
* Correction Deed dated 06.07.2022 made between M/s. Bhaurao Chavan Sahakari Sakhar Karkhana Ltd. (Vendor) and M/s. M.V.K. Agro Food Project Ltd. (Vendee) registered at Sub Register Office Umri, having Sr. No. UMR-570- 2022 for land bearing Gat No. 47.
* 7/12 Extract.
* No Objection Certificate (NOC) issued by Grampanchayat Waghalwada
* Building / Site Layout Plan prepared by M/s. Vaibhav Industries and same is approved by Grampanchayat Waghalwad.
* Grant of Provisional No-Objection Certificate (Provisional Fire NOC) issued by Director, Maharashtra Fire Services dated 03.03.2021.
* Non-agricultural (N. A.) order bearing No. 2022/ Jamabandi/ Non-agricultural/ CR issued by Tahsildar, Umari dated 22.11.2022.
* Demarcated layout plan approved bearing reference No. MOR. No. 10/ Atitatadi Bigarsheti/ 2023 dated 23/11/2023 by Deputy Superintendent, Land Records Officer of Umri.
* Submission drawing prepared by Structural Engineer Mr. Pankaj Sambhaji Kadam
* Screenshot of Building Plan Management System for charges paid for building plan approval
* Application for permission for development by Architect Mr. Pankaj Sambhaji Kadam
* Subdivision drawing by company
* Fire NOC issued by Municipal Council, Umri dated 30.09.2022.
* Approval for Auxiliary / startup power supply issued by Maharashtra State Electricity Distribution Co. dated 14.12.2022.
* Letter issued by Regional Assistant Director – Sugar for Crushing Season Free Industry Certificate dated 11.10.2022.
* Factory License bearing No. 16791 issued by Industrial Safety and Health, Maharashtra State, Aurangabad dated 27.05.2023
* Consent to Operate bearing No. 0000146107/CO/2303002558 issued by Maharashtra Pollution Control Board dated 30.03.2023.
* LIE Report dated 21.12.2023.
* Ledger abstract.

#### 2.3. DATE OF VISIT: -

Our Engineers has visited Project Site of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd. on 24.02.2024.

#### 2.4. OFFICIALS ACCOMPANIED OUR ENGINEER: -

Following Company Official accompanied our Engineer during Site Visit: -

| Company Official | Designation | Mobile No. |
| --- | --- | --- |
| Mr. Shek Saheb | Chief Chemist | +91 98234 40252 |
| Mr. Kadam S.B | Mfg. Chemist | +91 97633 83417 |

#### 2.5. NOTES, LIMITATIONS. DISCLAIMERS AND CAVEATS: -

Assessment of Fair Market Value (FMV), Realizable Value (RV) and Distress Value (DV) of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.

is subject to following notes, limitations, disclaimers, and caveats.

* In the preparation of the report, we has relied on the following information: -
* Information provided to us by the client and its affiliates and lenders.
* Other relevant information available to us and our data bank.
* Other publicly available information, internet information & reports.
* Present status of the project.
* We have visited the Project Site on 24.02.2024 for the physical inspection of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd. & inspected the Asset. During the date and time of our visit, the out of Plant was in operation.
* The assets valuation report is prepared based on our site visit, physical inspection of assets, performance of the plant, audited results, approvals and clearances obtained, etc.
* We have worked out the valuation considering the gross block of Assets, Replacement cost, Industrial scenario of the country & market trends and our own data base available with us.
* The total useful life of Plant of is considered 25 years subject to repair and maintenance. Market Trend is based on the raw material supply, return on equity, ready to use assets & considering the period required to setup the plant etc. If any one of the factors gets affected, then market trend can change which will change the FMV, RV and DV.
* Our valuation is based on our experience and knowledge & this is an opinion only and does not stand as a guarantee for the value it can fetch if disposed, due to any emergency, in future.
* The legal documents pertaining to the ownership of the above said property has been referred to on its face value and that is presumed that Bank has got the same verified through its legal counsel.
* Since this being an established Company, we have relied on the documents and information provided by the party. It is presumed that the soft copy of documents is taken from the originals duly tested and verified about veracity.
* Changes in Socio – Economic and political conditions could result in a substantially different situation than those presumed at the stated effective date. We assume no responsibility for changes in such external conditions.
* It should be noted that our value assessments are based upon the facts and evidence available at the time of assessment. It is therefore recommended that the value assessments be periodically reviewed.
* The report is issued at the specific request of the party for specific purpose and the said report is not valid if the purpose of use and party is different.
* Our report should be read along with disclaimers. The value given in our report is only an opinion on the FMV, RV & DV as on date. If there is any opinion from others / valuers about increase or decrease in the value of the assets valued by us, we should not be held responsible as the views vary from person to person and based on circumstances. The principle of “BUYERS BEWARE” is applicable in case of any sale/ purchase of assets.
* This report should be read along with legal due diligence report. Value assigned herein is subject to this stipulation.
* Our report is only for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. The said report will not hold good / should not be used for any court / legal matters.

1. **ABOUT COMPANY**

#### 3.1. INTRODUCTION: -

**Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd.** (“DSCJAPPL” or “Company”) is a Private Limited Company incorporated on 02nd March 2021. It is classified as Non-govt company and is registered at Registrar of Companies, Mumbai.

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DSCJAPPL is incorporated in 2021 and started its operation since December 2022. The company is promoted by Kawale family and engaged in the manufacturing of jaggery powder. Promoters have experience of more than a decade in agro food industry through its operations in the jaggery and sugar production companies. The company has manufacturing plant of 1500 Tons crushing per day (TCD) located in Nanded, Maharashtra.

The Asset under Valuation is Land & Building and Plant & Equipment. Plant & Equipment includes Weigh Bridge, Water Supply Scheme, Machine Foundation, Plant & Machinery, ETP, DM Plant, Molasses Tank and Electrical Installation.

#### 3.2. LOCATION: -

The Assets under Valuation of DSCJAPPL’s 1500 TCD Jaggery Powder & Solid Jaggery Plant is located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India. The area falls under the limits of Grampanchayat Waghalwada. The area is having all basic infrastructure facilities such as good approached Roads, water supply, electricity etc. The said factory is about 1.5 km away from Umari - Dharmabad Road. It is situated about 12 km from Umri Railway Station. The Area is well connected with all parts of Nanded District by good network of Roads & Railways. Transportation means such as State Transport Buses & Rickshaws are available

**Google Location: -**



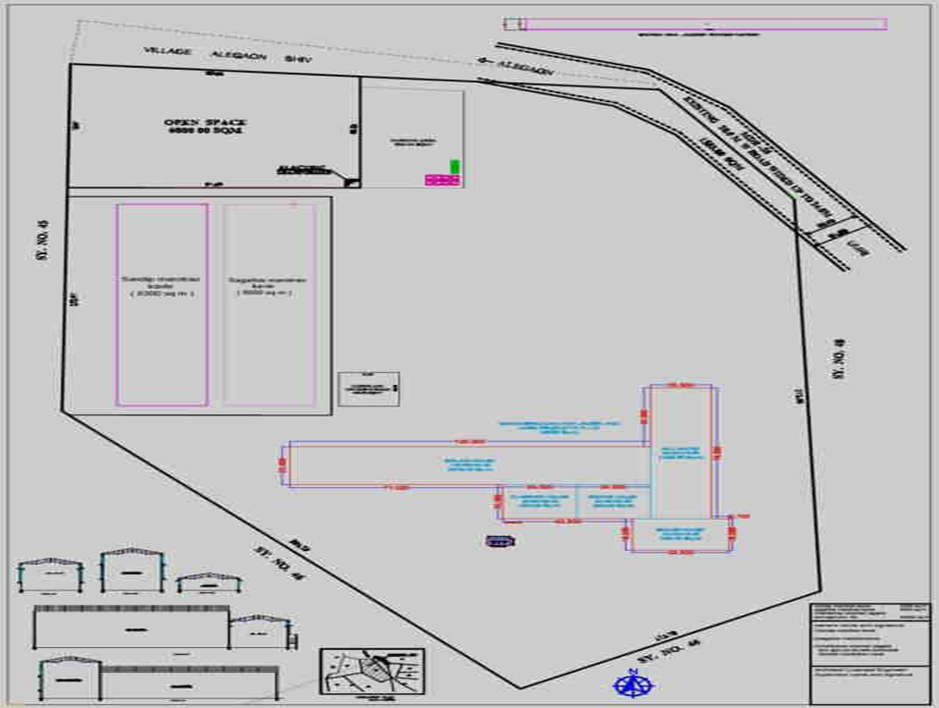
# Latitude & Longitude: - 18°57'35.9"N 77°40'38.7"E

#### 3.3. LAND: -

As per revenue records the total Land area of Gat No. 47 is 66,300 Sq. M. As per Sale Deed dated 08.08.2022 made between M/s. M.V.K. Agro Food Project Ltd. (Vendee/ Seller) sold part of land admeasuring 50,000.00 Sq. M to M/s. Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd. (Vendor / purchaser) and Remaining area of Gat No. 47, admeasuring 8,000.00 Sq. M + 8,300.00 Sq. M = 16,300 Sq. M is owned by other parties, the details are as under:-

| S. No. | Gat No. | Name of Owner | Area (Sq. M) |
| --- | --- | --- | --- |
| 1 | 47 | M/s. Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd. | 50,000.00 |
| 2 | 47 | Sandeep Marotrao Kawale | 8,300.00 |
| 3 | 47 | Sagarbai Marotrao Kawale | 8,000.00 |
|  |  | **Total** | **66,300** |

Subdivision map is not obtained. Also, the land is not subdivided physically at site. The borrower has submitted following map for subdivision of the land and the same is under:-



The Land is topographically flat terrain Land & having irregular in shape. Land is not properly demarcated at site and is without any boundary wall.

Land Area considered for Valuation is as under:-

| S. No. | Name of Owner | Area (Sq. M) |
| --- | --- | --- |
| 1 | M/s. Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd. | 50,000.00 |
| 2 | Less: - Area under DP Road widening | 1,365.04 |
|  | **Balance Land area Considered for Valuation** | **48,634.96** |

**The land area considered for Valuation is 48,634.96 Sq. M (i.e. 12.02 Acres).**

**OBSERVATION:-**

On site, borrower’s land is not demarcated by means of fencing or boundary stones. This shortcoming may be corrected by the borrower on priority. It is also advisable that separate property extract (7/12 extract) and demarcation for borrower’s property is provided to bank.

#### 3.4. BUILDING: -

Building wise area details as per submission drawing prepared by Structural Engineer Mr. Pankaj Sambhaji Kadam is as under:-

| S. No. | Building Description | Area (Sq. M) |
| --- | --- | --- |
| 1 | Mill House | 1,599.00 |
| 2 | Boiling House | 2,700.00 |
| 3 | Boiler House | 592.00 |
| 4 | Power House | 502.25 |
| 5 | Clarifier House | 502.25 |
| 6 | Warehouse | 3,600.00 |
| 7 | Warehouse-1 | 3,600.00 |
|  | **Total** | **13,095.50** |

Submission drawings prepared are for entire area of gat number 47 i.e. 66,300.00 Sq. M., however, the land owned by M/s. Dr. Shankarrao Chavan Jaggery and Agro Product Pvt. Ltd. is 50,000.00 Sq. M only. As per subdivision map given by the borrower, 2 Nos. of warehouses are not standing upon land owned by borrower. Hence, land and area of 2 Nos. of warehouses is not considered for valuation.

#### 3.5. PLANT & EQUIPMENT: -

The Plant & Equipment for 1500 TCD Jaggery Plant is as under: -

| S. No. | Description |
| --- | --- |
| 1 | **Mill** **House** **Section:-** Sugar Mill Assembly - 4 Nos, Gear Box, Motor, Cane Unloader Feeder Table with Trolley, Cane Carrier Chain with Slat, Fiberizor with Motor, Leveller with Motor, Kicker with Motor, Gearbox, FRC with Motor, Gearbox, Chain, IRC with Motor, Gearbox, Chain - 03 Qty, RBC Gear Box, Motor, Chain, Four Mill Tandem Platform, Electrical Panel & Insulation & Cable, Rotary Screen with Platform |
| 2 | **Turbine** **Section** **consisting** **of** **Turbine,** **Alternator,** **Panels,** **Crane** **etc. Turbine:-** Make/Supplier-Triveni, Capacity-6000 KW, AC Power Generation Alternator-BHEL, Rated Output- 6000 KW |
| 3 | **Boiler** **Section:-**Water Tube Boiler Capacity 35 Ton/ Hr and Steam Pressure 67 kg/ cm2, Make - Vaibhav Industries, Grate – Pin Hole grate / Dumping Grate, Fuel- Bagasse / Wood, Pollution Control Equip - Wet Scrubber, It consist of following major equipments/ parts**:-**Steam Drum, Mud or Water Drum, Water Walls, Super Heater, Economiser, Air Heater, Boiler Fan, ID / FD Fan, Blower and Chimney |
| 4 | **Boiling** **House** **Section:-**Boiling House Evaporator Section, Juice Heater Section, Pan House Section, Cooling Tower & Condenser, Clarifier & Filter, Motor, Pump, Gear Box, Valve, Juice Pipeline, S.S. Tube, Continuous Machine & Dryer, Crystallizer Section & Syrup Section, Boiling House Structure, Electrical Panel Boiling House Erection |
| 5 | Switchyard, Synchronization Panel, Transformers, transmission line, electrification, etc. |
| 6 | DM Plant & Storage Tank |
| 7 | AC & Control Rooms |
| 8 | Laboratory Equipment |
| 9 | All Fire Protection In & Outside the Buildings. |
| 10 | Effluent Treatment Plant - E.T.P. (part process) |
| 11 | Molasses Tank – 2843.60 MT |
| 12 | D.G. Set – 320 KVA |
| 13 | D.G. Set – 62.5 KVA |
| 14 | Sprinkler System/ Cooling Tower |
| 15 | Weighbridge – 60 Ton + 80 Ton |
| 16 | Plant and Machinery Foundation consist of Foundation work for Mill House – Feeder table, cane carrier, Kicker, leveller, fibraizer, Rake carrier, 4 nos. of mills, bagasse elevator and conveyor, drives and pumps, etc.  Foundation work for Boiling House platform for erecting of equipment such as tanks, drives, pumps, centrifugal machine, etc,  Foundation work for Boiler – Blower, Chimney, motors, pumps, pollution control equipment, elevators, etc.  Foundation work for Power House – Turbine, Alternator, etc.  Foundation work for sprinkler system drainage channels, cooling towers, molasses tank, etc. |

**Observation: -**

* During the date and time of our visit the Plant was in Operation.
* Installed capacity of Jaggery Plant is 1500 TCD and Co-gen Power Plant is 6 MW.
* The commercial date of operation is 19.12.2023.

**Photographs of 1500 TCD Jaggery Plant is as under: -**

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1. **VALUATION RATIONALE**

## 4.1 METHODOLOGIES

### 4.1.1 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.

In order to compare the subject of the valuation with the price of the other tangible asset interests, Valuers adopt generally accepted and appropriate units of comparison that are considered by participants, dependent upon the type of asset being valued.

As per IVS 400 differences that should be considered in valuing tangible asset interests include, but are not limited to:

1. The type of interest providing the price evidence and the type of interest being valued,
2. The respective locations,
3. The respective configuration,
4. The circumstances under which the price was determined, and the basis of value required,
5. The effective date of the price evidence and the valuation date, and market conditions at the time of the relevant transactions and how they differ from conditions at the valuation date.

**Direct Sales Comparison Method** is the most common method under the Market Approach for Plant and Machinery Valuation. The fundamental for this method is on the assumption that an informed purchaser would not pay more for an item than the cost of acquiring an existing one with the same utility. This method is preferred when valuing plant and machinery for which there is a known and active secondary market. In applying it under the ‘in-situ’ premise, an allowance then is made to reflect the cost of delivery, installation taxes, fees and duties known as indirect or additional costs.

**Comparable Match Method** is other method under market approach for plant and machinery valuation. This technique establishes values based on the analysis of similar (but not identical) assets using some measure of utility (size, capacity, year manufactured, etc.) as the basis of comparison. The main difference from direct sales comparison method is that the comparisons may not be similar in terms of model and year built, but has other similarities such as capacity, brand acceptance or same country of origin. Hence, appropriate adjustments must be made on the comparable before the value of asset can be derived.

### 4.1.2 INCOME APPROACH

It is defined as valuation technique 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 based on 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:

1. 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
2. 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 tangible asset interests traded in the market between participants or from hypothetical participant’s 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.

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 considering return on investment and risk.

### 4.1.3 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](https://www.investopedia.com/terms/m/market-price.asp) for the asset is equal to the cost, less [depreciation](https://www.investopedia.com/terms/d/depreciation.asp). It yields the most accurate [market value](https://www.investopedia.com/terms/m/marketvalue.asp) 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 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.

## 4.2 OTHER TERMINOLOGIES USED

### 4.2.1 DEPRECIATED REPLACEMENT COST

Regarding 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.

#### 4.2.2 TOTAL ECONOMIC/ PHYSICAL LIFE

The total economic life of the assets has been considered based on 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 based on 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.

#### 

#### 4.2.3 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.

#### 4.2.4 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.

#### 

#### 4.3 FACTORS AFFECTING THE VALUE

#### 4.3.1 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).

### 4.3.3 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.

### 4.3.4 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.

### 4.4 METHODOLOGY ADOPTED

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

### 4.5 VALUATION

### 4.5.1 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 based on the afore-mentioned premise.

1. **VALUATION OF FIXED ASSETS**

## 5.1 FIXED ASSETS UNDER VALUATION: -

The Asset under Valuation is Land & Building and Plant & Equipment. Plant & Equipment includes Weigh Bridge, Water Supply Scheme, Machine Foundation, Plant & Machinery, ETP, DM Plant, Molasses Tank and Electrical Installation.

## 5.2 VALUATION OF LAND: -

The land area considered for Valuation is 48,634.96 Sq. M (i.e. 12.02 Acres). Government Maharashtra has fixed the Government Guideline rate for non-agricultural (N.A.) land in this area is ₹ 805/- per Sq. M. (₹ 32,57,722 per Acres) for the year 2023-24, however the prevailing market rate is ₹ 12,00,000/- to ₹ 15,00,000/- per Acre (i,e. ₹ 296.51 to 370 per Sq. M).

For the purpose of Valuation is have considered the rate of ₹ 13,00,000/- per Acres. The Valuation of Land is as under:-

| S. No. | Land Area | Guideline rate  (₹/ Sq. M) | Market Rate  (₹/ Sq. M) | Government Value (₹) | Market Value (₹) |
| --- | --- | --- | --- | --- | --- |
| **1** | **12.02** | **32,57,722** | **13,00,000** | **3,91,51,143** | **1,56,23,348.00** |

## 5.3 VALUATION OF BUILDING: -

The Valuation of Building is as under:-

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| S. No. | Items | Total BUA (Sq. M) | Year of Const. | Total Life of Structure | Full Rate | Final Depreciated Rate to be considered | Final Depreciated Value to be considered | Insurable Value / Full Value |
| 1 | Mill House | 1,599.00 | 2022 | 30 | 18,000 | 18,000 | 2,87,82,000 | 2,87,82,000 |
| 2 | Boiling House | 2,700.00 | 2022 | 30 | 18,000 | 18,000 | 4,86,00,000 | 4,86,00,000 |
| 3 | Boiler House | 592.00 | 2022 | 30 | 15,000 | 15,000 | 88,80,000 | 88,80,000 |
| 4 | Power House | 502.25 | 2022 | 30 | 18,500 | 18,500 | 92,91,625 | 92,91,625 |
| 5 | Clarifier House | 502.25 | 2022 | 30 | 12,500 | 12,500 | 62,78,125 | 62,78,125 |
|  | **Total** | **5,895.50** |  |  |  |  | **10,18,31,750** | **10,18,31,750** |

## 

## 5.4. VALUATION OF PLANT & EQUIPMENT: -

The Fair Market Value of Plant & Equipment is calculated by using depreciated replacement cost (DRC) method under cost approach of valuation. The DRC is derived from the Gross Current Reproduction / Replacement Cost (GCRC) which is reduced by considering depreciation. The depreciation is calculated while considered following parameters: -

* Type of Assets
* Replacement Cost
* Gross Block and Net Block
* Age and Estimated balance life
* Condition
* Specifications
* Utilization
* Periodical Preventive Maintenance

We have assessed the Fair Market Value (FMV) of Assets by applying appropriate depreciation to Replacement Cost considering the above parameters.

**THE WORKING OF FAIR MARKET VALUE OF PLANT & EQUIPMENT IS AS UNDER:-**

| S. No. | Description | COD | Age (Yrs) | Residual Life (Yrs) | Fair Market Value (₹) |
| --- | --- | --- | --- | --- | --- |
| 1 | **Mill** **House** **Section:-** Sugar Mill Assembly - 4 Nos, Gear Box, Motor, Cane Unloader Feeder Table with Trolley, Cane Carrier Chain with Slat, Fiberizor with Motor, Leveller with Motor, Kicker with Motor, Gearbox, FRC with Motor, Gearbox, Chain, IRC with Motor, Gearbox, Chain - 03 Qty, RBC Gear Box, Motor, Chain, Four Mill Tandem Platform, Electrical Panel & Insulation & Cable, Rotary Screen with Platform | 19.12.2022 | 2 | 23 | 11,02,40,000 |
| 2 | **Turbine** **Section** **consisting** **of** **Turbine,** **Alternator,** **Panels,** **Crane** **etc. Turbine:-** Make/Supplier-Triveni, Capacity-6000 KW, AC Power Generation Alternator-BHEL, Rated Output- 6000 KW | 19.12.2022 | 2 | 23 | 5,98,00,000 |
| 3 | **Boiler** **Section:-**  Water Tube Boiler Capacity 35 Ton/ Hr and Steam Pressure 67 kg/ cm2, Make - Vaibhav Industries, Grate – Pin Hole grate / Dumping Grate, Fuel- Bagasse / Wood,  Pollution Control Equip - Wet Scrubber,  It consist of following major equipments/ parts**:-**  Steam Drum, Mud or Water Drum, Water Walls, Super Heater, Economiser, Air Heater, Boiler Fan,  ID / FD Fan, Blower and Chimney | 19.12.2022 | 2 | 23 | 12,11,60,000 |
| 4 | **Boiling** **House** **Section:-**  Boiling House Evaporator Section, Juice Heater Section, Pan House Section, Cooling Tower & Condenser, Clarifier & Filter, Motor, Pump, Gear Box, Valve, Juice Pipeline, S.S. Tube, Continuous Machine & Dryer,  Crystallizer Section & Syrup Section, Boiling  House Structure, Electrical Panel  Boiling House Erection | 19.12.2022 | 2 | 23 | 15,91,20,000 |
| 5 | Switchyard, Synchronization Panel, Transformers, transmission line, electrification, etc. | 19.12.2022 | 2 | 23 | 3,12,00,000 |
| 6 | DM Plant & Storage Tank | 19.12.2022 | 2 | 23 | 20,80,000 |
| 7 | AC & Control Rooms | 19.12.2022 | 2 | 23 | 10,40,000 |
| 8 | Laboratory Equipment | 19.12.2022 | 2 | 23 | 5,20,000 |
| 9 | All Fire Protection In & Outside the Buildings. | 19.12.2022 | 2 | 23 | 31,20,000 |
| 10 | Effluent Treatment Plant - E.T.P. (part process) | 19.12.2022 | 2 | 23 | 10,40,000 |
| 11 | Molasses Tank – 2843.60 MT | 19.12.2022 | 2 | 23 | 26,00,000 |
| 12 | D.G. Set – 320 KVA | 19.12.2022 | 2 | 23 | 29,10,000 |
| 13 | D.G. Set – 62.5 KVA | 19.12.2022 | 2 | 23 | 8,30,000 |
| 14 | Sprinkler System/ Cooling Tower | 19.12.2022 | 2 | 23 | 14,60,000 |
| 15 | Weighbridge – 60 Ton + 80 Ton | 19.12.2022 | 2 | 23 | 20,80,000 |
| 16 | Plant and Machinery Foundation consist of Foundation work for Mill House – Feeder table, cane carrier, Kicker, leveller, fibraizer, Rake carrier, 4 nos of mills, bagasse elevator and conveyor, drives and pumps, etc Foundation work for Boiling House platform for erecting of equipment such as tanks, drives, pumps, centrifugal machine, etc,  Foundation work for Boiler – Blower, Chimney, motors, pumps, pollution control equipment, elevators, etc.  Foundation work for Power House – Turbine, Alternator, etc.  Foundation work for sprinkler system drainage channels, cooling towers, molasses tank, etc. | 19.12.2022 | 2 | 23 | 3,64,00,000 |
|  |  |  |  | **Total** | **53,56,00,000** |

## 

## 5.5 SUMMARY FOR VALUATION

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S. No. | Plant | Fair Market Value (₹) | Realisable Value (₹) | Distress Sale Value (₹) |
| 1 | Land | 1,56,23,348 | 1,40,61,013 | 1,24,98,678 |
| 2 | Building | 10,18,31,750 | 9,16,48,575 | 8,14,65,400 |
| 3 | Plant & Equipment | 53,56,00,000 | 45,52,60,000 | 37,49,20,000 |
|  | **Total** | **65,30,55,098** | **56,09,69,588** | **46,88,84,078** |
|  | **Say** | **₹ 65.31 Crores** | **₹ 56.10 Crores** | **₹ 46.89 Crores** |

1. **OPINION**

We hereby certify that the Valuation of Land & Building and Plant & Equipments of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd. is as under: -

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S. No. | Plant | Fair Market Value (₹) | Realisable Value (₹) | Distress Sale Value (₹) |
| 1 | Land | 1,56,23,348 | 1,40,61,013 | 1,24,98,678 |
| 2 | Building | 10,18,31,750 | 9,16,48,575 | 8,14,65,400 |
| 3 | Plant & Equipment | 53,56,00,000 | 45,52,60,000 | 37,49,20,000 |
|  | **Total** | **65,30,55,098** | **56,09,69,588** | **46,88,84,078** |
|  | **Say** | **₹ 65.31 Crores** | **₹ 56.10 Crores** | **₹ 46.89 Crores** |

Place: Nanded

Date: 05.03.2024

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |

1. **CONCLUSION**

|  |  |
| --- | --- |
| Particular | Details |
| Name of Client | M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd. |
| Asset being Valued | Land & Building and Plant & Equipments of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India |
| Intended Users | Union Bank of India |
| Valuation Currency | Indian Rupees (INR) / ₹ |
| Purpose of Valuation | To access the FMV, RV & DV for Bank Loan Purpose |
| Valuation Standards Referred | International Valuation Standards |
| Premises for value | Fair value: Highest & Best Use  Realizable value: Existing and Current Use  Distress Value: Orderly liquidation |
| Date of Appointment | 23.02.2024 |
| Visit Date | 24.02.2024 |
| Valuation Date | 05.03.2024 |
| Report Date | 05.03.2024 |
| Valuation Approach | Land: - Market Approach  Building & Plant & Equipment: - Cost Approach |
| Valuation Methodology | Land-Price Indicator  Building and Plant & Equipment: - Deprecated Replacement Cost |
| Value of Assets in Crores as on Date | FMV- ₹ 65.30 Crores  RV- ₹ 56.10 Crores  DV- ₹ 46.89 Crores |

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |

**8. JUSTIFICATION FOR PRICE/RATE**

The Market Value of the property is based on facts of markets discovered by us during our enquiries, however the government rate value in this case is less than the market value arrived by us. We are of the opinion that the value arrive by us will prove to be correct if an Auction of the subject property is carried out. As far as Market Value in Index II / Property Documents is concerned, it is not possible to comment on same, may be government rates are fixed by sampling during same point of time in part and whereas, Market values change every month.

In most of the cases the actual deal amount or Transaction value is not reflected in Index II / Property Documents because of various Market practices. As Valuer, we always try to give a value which is correct reflection of actual transaction value irrespective of any factors in market.

We Hope this will satisfy your requirements.

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is as under: -

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S. No. | Plant | Fair Market Value (₹) | Realisable Value (₹) | Distress Sale Value (₹) |
| 1 | Land | 1,56,23,348 | 1,40,61,013 | 1,24,98,678 |
| 2 | Building | 10,18,31,750 | 9,16,48,575 | 8,14,65,400 |
| 3 | Plant & Equipment | 53,56,00,000 | 45,52,60,000 | 37,49,20,000 |
|  | **Total** | **65,30,55,098** | **56,09,69,588** | **46,88,84,078** |
|  | **Say** | **₹ 65.31 Crores** | **₹ 56.10 Crores** | **₹ 46.89 Crores** |

Place: Nanded

Date: 05.03.2024

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |

The undersigned has inspected the property detailed in the Valuation Report dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. We are satisfied that the fair and reasonable market value of the property is `\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_only).

Date

Signature

(Name of the Branch Manager with Official seal)

**9. DECLARATION FROM VALUERS**

1. The information furnished in my valuation report dated 05.03.2024 is true and correct to the best of my knowledge and belief and I have made and impartial and true valuation of the property. I have valued right property.
2. I have no direct or indirect interest in the property valued;
3. I/We have personally inspected the property on 24.02.2024. The work is not sub-contracted to any other valuer and carried out by myself.
4. I have not been convicted of any offence and sentenced to a term of imprisonment;
5. I have not been found guilty of misconduct in my professional capacity.
6. I have read the hand book on Policy, Standard and procedure for Real Estate Valuation, 2011 of the IBA and this report is in conformity to the “Standards” enshrined for valuation in the Part-B of the above hand book to the best of my ability.
7. I have read the Internal Valuation Standard (IVS) and the report submitted to the Bank for the respective asset class is in conformity to the “Standards” as enshrined for valuation in IVS in “General Standards” and “Asset Standards” as applicable.
8. Past performance of Real Estate Market need not necessarily indicate the future trends. This valuation purely and estimate & has no legal or Contractual obligation on our part. Analysis & conclusions of the value of the property are based on assumptions & conditions prevailing at the time of date of valuation. The rated indicated are based on current market condition & these may vary with time.
9. Encumbrances of Loan, Govt. or other dues, stamp duty, registration charges, transfer charged etc. if any, are not considered in the valuation. We have assumed that the assets are free of lien & encumbrances.
10. Bank authorities are requested to contact valuers in case of any doubts or discrepancy. The opinion about valuation is true & fair to the best of our knowledge & belief. We have no direct or indirect interest in the assets valued.
11. I abide by the Model Code of Conduct for empanelment of the valuer in the Bank.
12. I am registered under Section 34 AB of the Wealth Tax Act, 1957.
13. I am the proprietor / partner / authorized official of the firm / company, who is competent to sign this valuation report.
14. VCIPL, by reason of this report, are not required to give testimony or attendance in court or to any Government Agency whit reference to the subject property unless prior arrangements and consent have been made.
15. Further, I hereby provide the following information.

| S.  No. | Particulars | Valuer comment |
| --- | --- | --- |
|  | Background information of the asset being valued; | The property is owned by **M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.,** The Assets under Valuation is Land & Building and Plant & Equipments of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India. |
|  | Purpose of valuation and appointing authority | As per the request from Union Bank of India, Nanded Main Branch to assess fair market value for banking loan purpose. |
|  | Identity of the valuer and any other experts involved in the valuation; | Sharadkumar B. Chalikwar-Regd. Valuer  Umang A. Patel-Regd. Valuer  Harshad Panchal-Site Engineer  Avinash Pandey–Valuation Engineer |
|  | 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 |
|  | Date of appointment, valuation date and date of report; | Date of Appointment – 23.02.2024  Valuation Date – 05.03.2024  Date of Report – 05.03.2024 |
|  | Inspections and/or investigations undertaken; | Physical Inspection done on 24.02.2024. |
|  | Nature and sources of the information used or relied upon; | * Market Survey at the time of site visit. * Existing data of Valuation assignments carried out by us. |
|  | Procedures adopted in carrying out the valuation and valuation standards followed; | * Cost Approach (For Plant & Equipments) |
|  | 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. |
|  | Major factors that were taken into account during the valuation; | Current market conditions, demand and supply position, Industrial land size, location, upswing in real estate prices, sustained demand for Industrial land, all-round development of industrial application in the locality etc. |
|  | 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 |

Place: Nanded

Date: 05.03.2024

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |

**10. ASSUMPTIONS, DISCLAIMERS, LIMITATIONS & QUALIFICATIONS**

**Value Subject to Change**

The subject appraisal exercise is based on prevailing market dynamics as on **05th  March 2024** and does not take into account any unforeseeable developments which could impact the same in the future.

**Our Investigations**

We are not engaged to carry out all possible investigations in relation to the subject property. Where in our report we identify certain limitations to our investigations, this is to enable the reliant party to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. Vastukala Consultants India Pvt. Ltd. (VCIPL) is not liable for any loss occasioned by a decision not to conduct further investigations

**Assumptions**

Assumptions are a necessary part of undertaking valuations. VCIPL adopts assumptions for the purpose of providing valuation advise because some matters are not capable of accurate calculations or fall outside the scope of our expertise, or out instructions. The reliant party accepts that the valuation contains certain specific assumptions and acknowledge and accept the risk of that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.

**Information Supplied by Others**

The appraisal is based on the information provided by the client. The same has been assumed to be correct and has been used for appraisal exercise. Where it is stated in the report that another party has supplied information to VCIPL, this information is believed to be reliable but VCIPL can accept no responsibility if this should prove not to be so.

**Future Matters**

To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to VCIPL at the date of this document. VCIPL does not warrant that such statements are accurate or correct.

**Map and Plans**

Any sketch, plan or map in this report is included to assist the reader while visualising the property and assume no responsibility in connection with such matters.

**Site Details**

Based on inputs received from Client's representative and site visit conducted, we understand that the subject property is currently an Owner occupied, contiguous and non-agricultural plot & Building and Plant & Equipments of 1500 TCD Jaggery Powder & Solid Jaggery Plant located at Gat No. 47, Village-Waghalwada, Adjacent to M.V.K. Agro Food Product Ltd. (Popularly Known as Bhaurao Chavan Sugar Factory), Off. Umari-Dharmabad Road, Kusumnagar, Post. Golegaon, Taluka-Umari, Dist. Nanded, PIN Code-431 807, State-Maharashtra, Country-India belonging to M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.Further, VCIPL has assumed that the subject property is free from any encroachment and is available as on the date of the appraisal.

**Property Title**

Based on our discussion with the Client, we understand that the subject property is owned by   
**M/s. Dr. Shankarrao Chavan Jaggery and Agro Products Pvt. Ltd.,** For the purpose of this appraisal exercise, we have assumed that the subject property has a clear title and is free from any encumbrances, disputes, and claims. VCIPL has made no further enquiries with the relevant local authorities in this regard and does not certify the property as having a clear and marketable title. Further, no legal advice regarding the title and ownership of the subject property has been obtained for the purpose of this appraisal exercise. It has been assumed that the title deeds are clear and marketable.

**Environmental Conditions**

We have assumed that the subject property is not contaminated and is not adversely affected by any existing or proposed environmental law and any processes which are carried out on the property are regulated by environmental legislation and are properly licensed by the appropriate authorities.

**Town Planning**

The permissible land use, zoning, achievable FSI, area statement adopted for purpose of this valuation is based on the information provided by the Client's representative and the same has been adopted for this valuation purpose. VCIPL has assumed the same to be correct and permissible. VCIPL has not validated the same from any authority.

**Area**

Based on the information provided by the Client's representative, we understand that the subject property is a Owner occupied, contiguous and Plot and Tangible Assets.

**Condition & Repair**

In the absence of any information to the contrary, we have assumed that there are no abnormal ground conditions, nor archaeological remains present which might adversely affect the current or future occupation, development or value of the property. The property is free from rat, infestation, structural or latent defect. No currently known deleterious or hazardous materials or suspect techniques will be used in the construction of or subsequent alteration or additions to the property and comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Valuation Methodology**

For the purpose of this valuation exercise, the valuation methodology used is Direct Comparison Approach Method and proposed Highest and Best Use model is used for analysing development potential.

The Direct Comparison Approach involves a comparison of the property being valued to similar properties that have actually been sold in arms - length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis.

In case of inadequate recent transaction activity in the subject micro-market, the appraiser would collate details of older transactions. Subsequently, the appraiser would analyse rental / capital value trends in the subject micro-market in order to calculate the percentage increase / decrease in values since the date of the identified transactions. This percentage would then be adopted to project the current value of the same.

Where reliance has been placed upon external sources of information in applying the valuation methodologies, unless otherwise specifically instructed by Client and/or stated in the valuation, VCIPL has not independently verified that information and VCIPL does not advise nor accept it as reliable. The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation.

**Not a Structural Survey**

We state that this is a valuation report and not a structural survey

**Other**

All measurements, areas and ages quoted in our report are approximate

**Legal**

We have not made any allowances with respect to any existing or proposed local legislation relating to taxation on realization of the sale value of the subject property. VCIPL is not required to give testimony or to appear in court by reason of this appraisal report, with reference to the property in question, unless arrangement has been made thereof. Further, no legal advice on any aspects has been obtained for the purpose of this appraisal exercise

**Property specific assumptions**

Based on inputs received from the client and site visit conducted, we understand that the subject property is currently Owner occupied, contiguous and Plot & Tangible Assets.

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**11. DEFINITION OF VALUE FOR THIS SPECIFIC PURPOSE**

This exercise is to assess **Fair Market Value** of the property under reference as on **05th March 2024.**

The term **Fair Market Value** is defined as

“The most probable price, as of a specified date, in cash, terms equivalent to cash, or in other precisely revealed terms for which the specified property rights would sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently knowledgeably and for self-interest assuming that neither is under undue duress”.

Fundamental assumptions and conditions presumed in this definition are:

1. Buyer and seller are motivated by self-interest.

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.

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**12. ASSUMPTIONS, CAVEATS, LIMITATION AND DISCLAIMERS**

1. We assume no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor do we render our opinion as to the title, which is assumed to be good and marketable.
2. The property is valued as though under responsible ownership.
3. It is assumed that the property is free of liens and encumbrances.
4. It is assumed that there are no hidden or unapparent conditions of the subsoil or structure that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering that might be required to discover such factors.
5. There is no direct/ indirect interest in the property valued.
6. The rates for valuation of the property are in accordance with the Govt. approved rates and prevailing market rates

**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 clients 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.

**13. VALUATION OF THE PROPERTY PREMISES**

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 valued for purpose as below –

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S. No. | Plant | Fair Market Value (₹) | Realisable Value (₹) | Distress Sale Value (₹) |
| 1 | Land | 1,56,23,348 | 1,40,61,013 | 1,24,98,678 |
| 2 | Building | 10,18,31,750 | 9,16,48,575 | 8,14,65,400 |
| 3 | Plant & Equipment | 53,56,00,000 | 45,52,60,000 | 37,49,20,000 |
|  | **Total** | **65,30,55,098** | **56,09,69,588** | **46,88,84,078** |
|  | **Say** | **₹ 65.31 Crores** | **₹ 56.10 Crores** | **₹ 46.89 Crores** |

The valuation of the property is based on the documents produced by the concern. Legal aspects have not been taken into considerations while preparing this valuation report.

Hence certified.

Place: Nanded

Date: 05.03.2024

For **Vastukala Consultants (I) Pvt. Ltd.**

|  |  |
| --- | --- |
| Sharad B. Chalikwar  Govt. Reg. Valuer  B.E.(Civil), M.E.(Civil), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation), F.I.E. (India), F.I.V., M.I.C.A., FIWRS,  Chartered & Professional Engineer (India)  Reg. No. (N) CCIT/1-14/52/2008-09 | Umang Ashwin Patel  Registered Valuer  B.Tech.(Mech.), M.Sc. (Real Estate Valuation), M.Sc. (P&M Valuation)  Member – The Indian Institution of Valuers  Chartered Engineer (India) |