

K&A

BEYOND VALUE

Valuation of Plant and Machinery for

M/s. Sagar Defence Engineering Private Limited

State Bank of India
Shivsagar Estate, Worli,
Mumbai

April 2024

Kakode & Associates
Consulting Private Limited

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To,
State Bank of India,
 Manager, RMSME
 Branch - Shivsagar Estate,
 Devchand house, Dr. A B Road,
 Worli, Mumbai – 400 018

Name of Account		M/s. Sagar Defence Engineering Private Limited
GENERAL		
1.	Location of premises	Plant and Machinery Located at Plot No. PAP-V-13, Chakan Industrial Area Ph-II, Village – Wasuli, Taluka – Khed, District – Pune.
2.	Purpose for which the valuation is made	To estimate the Market Value, Realizable Value and Distress Sale Value of Plant and Machinery of M/s. Sagar Defence Engineering Private Limited Located at Plot No. PAP-V-13, Chakan Industrial Area Ph-II, Village – Wasuli, Taluka – Khed, District – Pune.
3.	Date of inspection	March 28, 2024
4.	Basis of valuation / assumptions made	As is where is basis
	a) Indigenous machines	Indigenous as well as Imported machines
	b) Imported machines	
5.	Details of the charges created on the assets	N.A.

Remarks and Site Observations -

- ❖ The condition of the plant and machinery was found in good condition.
- ❖ The machines were noted to be functional.
- ❖ *We were not provided with the Fixed Asset Register or the original purchase invoices of all the machinery under valuation and were provided with invoices on sampling basis.*
- ❖ *The machinery here is used for manufacturing of customised and sophisticated machinery only.*
- ❖ *In the absence of the data sought by us, we have relied on the basis of our physical inspection of the said machinery as well as our experience and have arrived at a consolidated value for the said plant and machinery on the best effort basis.*



Valuation: -

Values in INR

Sr. No.	Particulars	Age	Residual Life	Replacement Cost New	Market Value
1	3D PRINTER	2.34	7.66	1,31,40,139	99,80,000
2	VF-5/40 I VERICAL MACHINING CENTER WITH ACCE (8457)	0.91	9.09	80,62,648	72,99,000
3	30W PRINTER 230V	0.07	9.93	28,20,773	27,99,000
4	CNC00941 (84581100)	0.75	9.25	27,09,612	24,97,000
5	MECHANICAL NOZZLE INDUSTRIAL GRADE	0.80	9.20	18,87,458	17,30,000
6	MOLD	1.00	9.00	16,70,690	14,97,000
7	3L 3D PRINTER (84775900)	0.07	9.93	14,79,227	14,68,000
8	ELECTRIC TAPPING MACHINE WITH TABLE	2.46	7.54	12,82,014	9,58,000
9	UPS SYSTEM	1.31	8.69	9,59,262	8,29,000
10	CNC ROUTER	2.41	7.59	9,22,842	6,95,000
11	DC POWER SUPPLY	2.53	7.47	8,78,389	6,50,000
12	82.5 KVA 3PH DG KIRLOSKAR ALTERNATOR (85021200)	0.93	9.07	7,20,680	6,51,000
13	SPECTRUM ANALYZER	4.50	5.50	6,94,885	3,80,000
14	HIGH PRECISION HEAVY DUTY LATHE MACHINE	2.45	7.55	6,33,641	4,74,000
15	DRONE TEST BENCH	3.68	6.32	6,06,500	3,80,000
16	AIR COMPRESSOR	1.53	8.47	5,17,718	4,35,000
17	INDUSTRIAL OVEN	1.25	8.75	4,48,284	2,77,000
18	60A ACTIVE HARMONIC FILTER	2.10	7.90	3,69,353	2,90,000
19	SINGLE CHANNEL PROGRAMMABLE D.C. ELEC. LOAD	4.33	5.67	3,70,641	2,09,000
20	BATTERY CHARGER	2.29	7.71	3,10,322	2,37,000
21	COMPRESSOR	1.24	8.76	2,06,501	1,80,000
22	DIGITAL STORAGE OSCILLOSCOPE	2.54	7.46	1,94,956	1,44,000
23	STABILIZER	2.41	7.59	1,70,054	1,28,000
24	OSCILLOSCOPE	2.40	7.60	1,51,154	1,14,000
25	PROGRAMMABLE DC POWER SUPPLY	2.54	7.46	1,45,673	1,08,000
26	CONVEYOR REFLOW OVEN - T960	4.46	5.54	1,27,070	70,000
27	BATTERY WELDING MACHINE	1.98	8.02	1,09,398	87,000
28	BATTERY TAB SPOT WELDER	2.08	7.92	1,03,982	82,000
29	100 MHZ, 2 CHANNELS, DIGITAL STORAGE OSCILLOSCOPE	2.53	7.47	99,650	74,000
30	FLUKE 381 REMOTE DISP 1000A TRMS CKAMP W/IFLEX	2.40	7.60	77,660	58,000
31	DIE PUNCH (82072000)	0.11	9.89	61,400	61,000
32	AC DC CONVERTER (85044090)	0.41	9.59	52,000	50,000
33	SOLDER FUME EXTRACTOR - DOUBLE ARM	2.08	7.92	46,792	37,000
34	TRANSIENT LIMITER	4.39	5.61	45,630	25,000
35	MACHINE - DRILL MACHINE - BOSCH	1.31	8.69	36,803	32,000
36	BAND SAW MACHINE	4.97	5.03	39,598	20,000
37	DIFFERENTIAL VOLTAGE PROBE- RP1025D	2.54	7.46	34,325	25,000
38	PAPPER CUTTING MACHINE C24 (84411010)	0.07	9.93	30,000	30,000
39	25 MHZ TRUE DUAL CHANNEL, ARBITRARY FUNCTION GEN.	2.79	7.21	31,845	23,000
40	ESSL BIOMETRIC SF100	2.41	7.59	27,777	21,000
41	TIP CLEANER	2.44	7.56	26,808	20,000
42	PRINTING HEAD	2.29	7.71	22,670	17,000
43	HIGH RESOLUTION MICROSCOPE	7.37	2.63	24,821	7,000



Sr. No.	Particulars	Age	Residual Life	Replacement Cost New	Market Value
44	HAKKO SOLDERING STATION	2.44	7.56	21,017	16,000
45	DISPLAX	7.28	2.72	23,939	7,000
46	ESSL BIOMETRIC X900	2.41	7.59	19,368	15,000
47	DOLDERING STATION	7.52	2.48	22,427	6,000
48	WELDING MAHCHINE & ACCESSORIES	2.56	7.44	16,805	12,000
49	DESOLDEING STATION	7.52	2.48	16,379	4,000
50	FLUKE 115 TRUE RMS DIGITAL MULTIMETER	2.40	7.60	11,279	8,000
51	DIGITAL OSCILOPE	7.76	2.24	12,095	3,000
52	CORDLESS MULTI PRO KIT	3.64	6.36	10,856	7,000
53	DIGITAL CLAMP METER	4.39	5.61	10,293	6,000
54	FLUKE 106 COMPACT DIGITAL MULTIMETER	2.40	7.60	9,116	7,000
55	ESSL READER F-1200	2.41	7.59	9,087	7,000
56	BATTERY TESTER	7.53	2.47	10,079	3,000
57	DRILL MACHINE & ACESSORIES	2.53	7.47	8,173	6,000
58	EM LOCK 600	2.41	7.59	7,986	6,000
59	COUNTS HANDHELD DIGITAL MULTIMETER	2.53	7.47	7,528	6,000
60	ANALOG INSULATION TESTER	7.25	2.75	3,906	1,000
61	EXIT BUTTON METAL	2.41	7.59	1,606	1,000
Total (INDIGIENOUS)				4,25,73,584	3,52,69,000
LIST OF PLANT & MACHINERY (IMPORTED)					
62	REFLOW OVEN (85143090)	0.91	9.09	18,60,000	16,84,000
63	SOLDER PASTE PRINTER(SCREEN PRINTER) (84798999)	0.91	9.09	39,00,000	35,31,000
64	PICK & PLACE MACHINE - TVM802BX	0.07	9.93	1,10,30,600	1,09,45,000
TOTAL (IMPORTED)				1,67,90,600	1,61,60,000
GRAND TOTAL				5,93,64,184	5,14,29,000



Declaration

For the preparation of valuation report I have relied upon the information collected by our field executive as well as the data available in our data bank.

- a) Observations are made by our field executive during physical inspection of the said machinery on **March 28, 2024**.
- b) The valuation of the machinery available at the said location is worked out on "**as is where is basis**" after considering its Present Replacement Value, the life that the said machinery has lived and its estimated future useful life, vis-a-vis its present condition which could be best judged as per the physical verification.
- c) The maintenance up-keep and the present condition of the said machinery is factored while estimating the Present Realizable Value for the said machinery.
- d) We were not provided with the Fixed Asset Register or the original purchase invoices of all the machinery under valuation and were provided with invoices on sampling basis.
- e) Our field executive has visited the said plant on **March 28, 2024** and have taken photographs of the said machinery which are attached to this report.

For KAKODE ASSOCIATES CONSULTING PRIVATE LIMITED



KARAN MODY
Bank's Approved Valuer

IBBI Regn. No. IBBI/RV/07/2019/12344



AMEET KAKODE
CEO

Undertakings:

1. This is to certify that the Market Value of the movable assets (Plant & Machinery) of **M/s. Sagar Defence Engineering Private Limited** Located at Plot No. PAP-V-13, Chakan Industrial Area Ph-II, Village – Wasuli, Taluka – Khed, District – Pune, as per our detailed appraisal and analysis based on our inspection on **March 28, 2024** is amounting to **INR 5.14 Crore (Rupees Five Crore Fourteen Lakhs only)**. This should be considered as true and fair value of the said assets, while the Realizable Value & Distress Value are tabulated below:

<i>Summary Of Valuation</i>	
i. Market Value (MV)	INR 5.14 Crore
ii. Realizable Value (85% of MV)	INR 4.37 Crore
iii. Distress Sale Value (70% of MV)	INR 3.60 Crore

2. The information given in this report is correct & true and I have no direct or indirect interest in the said assets being valued.
3. This valuation report is purely an opinion and has no legal or contractual obligation on our part. I have not checked the mechanical stability of the said machinery. I have no direct or indirect interest in the machinery at the said site.
4. Our field executive has visited the said plant on **March 28, 2024** and have taken photographs of said machinery which are attached to this report.



DECLARATION-CUM- UNDERTAKING

We, Mr. Ameet Pai Kakode son/daughter of Mr. Anil B. Pai Kakode and Karan R Mody son/daughter of Mr. Rajendra M Mody do hereby solemnly affirm and state that:

- a. I am a citizen of India.
- b. I do 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 our appointment as a valuer or three years after the valuation of assets was conducted by our firm.
- c. The information furnished in my valuation report dated **April 20, 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. I have not been convicted of any offence and sentenced to a term of Imprisonment.
- d. My field executive has personally inspected the property on **March 28, 2024**. The work is not subcontracted to any other valuer and carried out by our team.
- e. Valuation report is submitted in the format as prescribed by the Bank. I have not been depanelled / delisted by any other bank and in case any such depanelment by other banks during our empanelment with you, I will inform you within 3 days of such depanelment.
- f. I have not been removed/dismissed from service/ employment earlier.
- g. I have not been convicted of any offence and sentenced to a term of imprisonment.
- h. I have not been found guilty of misconduct in professional capacity.
- i. I have not been levied a penalty under section 271.
- j. I have not an undischarged bankrupt or have not applied to be adjudicated as a bankrupt.
- k. I am not an undischarged insolvent.
- l. I have not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing an appeal before Commissioner of Income Tax (Appeals) or Income-tax Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal and five years have not elapsed after levy of such penalty.
- m. 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.
- n. Our PAN Card number/Service Tax number as applicable – Karan Mody – AXSPM3975H and Ameet Kakode - AKRPP5515A.
- o. I undertake to keep you informed of any events or happenings which would make us ineligible for empanelment as a valuer.
- p. I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure.
- q. I have read the Handbook on Policy, Standards 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 handbook to the best of our ability.
- r. I have read the International Valuation Standards (IVS) and the report submitted to the Bank for the respective asset class is in conformity to the "Standards" as enshrined for valuation in the IVS in "General Standards" and "Asset Standards" as applicable.
- s. I abide by the Model Code of Conduct for empanelment of valuer in the Bank. (Annexure V- A signed copy of same to be taken and kept along with this declaration)
- t. I am registered under Section 34 AB of the Wealth Tax Act, 1957.
- u. I, Mr. Karan Rajendra Mody am a valuer registered with Insolvency & Bankruptcy Board of India (IBBI).
- v. My CIBIL Score and credit worthiness is as per Bank's guidelines.



- w. I am a proprietor / partner / authorized official of the firm / company, who is competent to sign this valuation report.
- x. I undertake the valuation work on receipt of Letter of Engagement generated from the system (Le. LLMS/LOS) only.
- y. Further, I hereby provide the following information:

Sr. No.	Particulars	Valuer comment
1	Background information of the asset being valued	Movable Assets (Plant & Machinery)
2	Purpose of valuation and appointing authority	Official of the State Bank of India to ascertain the Market Value of the property
3	Identity of the valuer and any other experts involved in the valuation	Kakode Associates Consulting Pvt. Ltd.
4	Disclosure of valuer interest or conflict, if any	-
5	Date of appointment, valuation date and date of report	March 27, 2024 March 28, 2024 April 20, 2024
6	Inspections and/or investigations undertaken	Photographs of the assets with data collection
7	Nature and sources of the information used or relied upon	Based on our site visit & the information collected at site
8	Procedures adopted in carrying out the valuation and valuation standards followed	As per standards
9	Restrictions on use of the report, if any	-
10	Major factors that were taken into account during the valuation	Nil
11	Major factors that were taken into account during the valuation	Nil
12	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.	1. In absence of any type of historical data of the machinery we have valued the same on lumpsum basis. 2. There was no technical person or representative to guide during our visit and hence we have done as per our best effort basis.

FOR KAKODE ASSOCIATES CONSULTING PVT. LTD.



KARAN MODY
Director and Bank's Approved Valuer
IBBI Regn. No. IBBI/RV/07/2019/12344



MODEL CODE OF CONDUCT FOR VALUERS

{Adopted in line with Companies (Registered Valuers and Valuation Rules, 2017)}

All valuers empaneled with bank shall strictly adhere to the following code of conduct:

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 (Success fees may be defined as a compensation / incentive paid to any third party for successful closure of transaction. In this case, approval of credit proposals).

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 authorized by the authority, the registered valuers organization 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 organization 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.

Explanation.– For the purposes of this code the term ‘relative’ shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).

26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

Remuneration and Costs

27. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.

28. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

Occupation, employability and restrictions

29. A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments.

30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organization discredits the profession.

FOR KAKODE ASSOCIATES CONSULTING PVT. LTD.



KARAN MODY
Bank's Approved Valuer

IBBI Regn. No. IBBI/RV/07/2019/12344




AMEET PAI KAKODE
CEO

Annexure I - Photographs

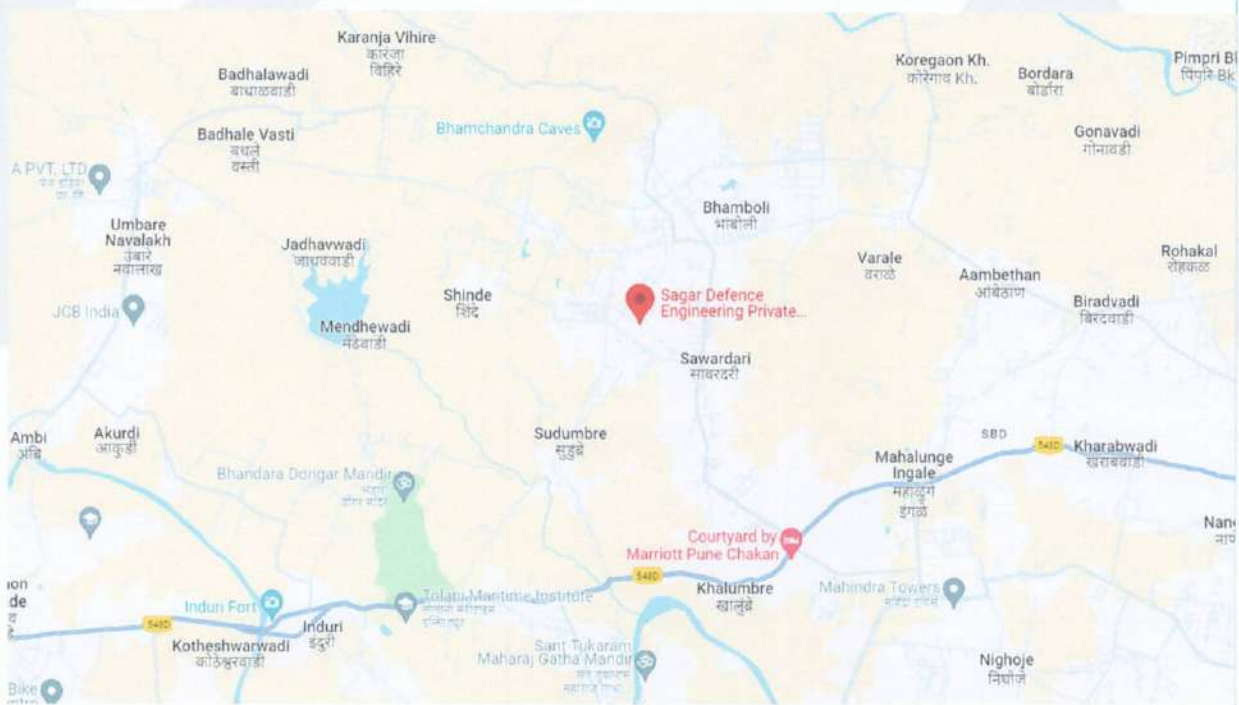








GOOGLE MAP



Google Co-ordinates:
18°46'35.5"N 73°46'00.1"E



About Kakode Associates Consulting Private Limited

KAKODE ASSOCIATES CONSULTING PRIVATE LIMITED (K&A) is a professionally managed consultancy organization promoted by Mr. Anil B. Pai Kakode, who is the proprietor of **KAKODE & ASSOCIATES**, a firm established since **1982**, and providing Engineering and Project Consultancy Services, including valuation of land, building, plant & machinery for variety of projects. **K&A** was incorporated in **November 2015**, to undertake all the activities of the firm and widen the scope of the field of operation. Over the years we have expanded our team as well as services offered. We now undertake Asset Valuations, Business Valuations, Techno-Economic Viability Studies, Detailed Project Reports, Cost Validation Reports, Lender's Independent Engineer Reports for a wide spectrum of clients across various sectors, namely, pharmaceuticals, textiles, banking, hospitality, chemical, healthcare, steel, real estate, auto, agro and food processing and many other sectors. We at **K&A** strive to enter into a long-term association with all our clients. **K&A** offers following services to its esteemed clients.

- ❖ Valuation of Land, Building, Plant, Machinery & Stock
- ❖ Lenders Independent Engineer
- ❖ Techno-Economic Viability Reports
- ❖ Feasibility Reports
- ❖ Detailed Project Reports
- ❖ Chartered Engineer Certifications
- ❖ Cost Validation Reports
- ❖ Technical Due Diligence
- ❖ Mergers and Acquisition Consulting

We have undertaken valuation of more than **20,000 valuations** since the past 2 decades and over **200 TEV assignments** across various sectors. We have also undertaken valuations, project monitoring, Techno-Economic Viability (TEV) studies and Lender's Engineering monitoring of infrastructure projects including Power Plants (over **45,000 MW**), Metro Projects (Mumbai, Kolkata, Ahmedabad, Nagpur, Noida, Pune, etc.), real estate, roads, irrigation projects, bridges (3rd longest bridge in India), tunnels (India's longest tunnel) and flyovers, etc. with a cumulative value of over **INR 10 lakh Crore**.

