

PERFECT VALUERS

(PANEL VALUER OF FIXED & MOVABLE ASSEST)

C-481, Street No. 11, Majlis Park,
Delhi-110033

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Bank in Panel: State
Bank of India, Bank
of Baroda, OBC

VALUATION REPORT

OF

PLANT & MACHINERY

AT

PLOT NO F-551 B, ROAD NO 6, VISHWAKARMA IND AREA, JAIPUR (RAJASTHAN).

OWNER

M/S JHANDEWAALAS FOODS LTD

ON BEHALF OF

STATE BANK OF INDIA, SAMB BRANCH, NEW DELHI

Ref. No.: SBI/SAMB/VR/2020-21/002

Dated: 15.12.2020

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Preamble

The company M/S Jhandewaalas Foods Ltd, incorporated in 2006 is manufacturer of food products including Desi Ghee & Mangodi. Also engaged in marketing of Poha , Saffron, & Dalia under brand name of Naman & Godhenu. The plant located at Plot No F-551 B, Road No 6, Vishwakarma Ind. Area, Jaipur, (Rajasthan)

Purpose of valuation

On request of , State Bank of India, SAMB Br, New Delhi, M/S Perfect Valuers were assigned to assess the market value of Plant & machinery and Equipment owned by M/S Jhandewaalas Foods Ltd, located at Plot No F-551 B, Road No 6, Vishwakarma Ind Area, Jaipur (Rajasthan).

We understand that the scope of work as assigned to us is as follows;

- i. Verification of Plant , Machinery & Assets.
- ii. Physical Inspection of Plant, Machinery & Assets as per their condition & economic life for same production .
- iii. Valuation of plant, Machinery & Assets as per present condition, obsolescence and future economic life on Going Concern Basis.

Ownership

- * Study of the documents & information made available by the company.
- * Discussions with the management team of the company.
- * Visit to the factory site



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* **Plant & machinery:** Physical verification was carried out on "as is where is " basis. The list has been prepared by us along with the concerned person of company. During physical verification, necessary information was collected with the help of representative of the company. Efforts were made to assess the general conditions, technological obsolescence and maintenance of the assets.

Date of site inspection

The plant & machinery and other equipments have been physically inspected & verified by Mr. R.P Srivastava, on 12/12/2020 located at Plot No F-551 B, Road No 6, Vishwakarma Ind Area, Jaipur (Rajasthan) as per information provided along with technical personnel deputed for the purpose.

* Study of the documents and information made available by the company.

Methodology of Valuation

For purpose of determining the fair market value of plant & machinery, we physically verified all plant & machinery and also assessed the physical condition of each individual machine to the extent possible. Therefore, we have taken into consideration the various technical and financial aspects pertaining to the revaluation.

Our Comments of the physical verification.

- i. As informed by the management, some machines are under process of installation and plant is in operation.
- ii. The mechanical part of the plant and machinery appears to be good and almost newly installed, However, the condition of electrical, instrumentation/ automation can not be affirmed correctly.

Limiting Factors: One of the most common facts in the business world is that physical properties of machine usually decrease in value as they age.

When a machine is used in production of goods or services, decrease in value is due to physical wear & tear which makes the machine less efficient to give the services for which it was designed.

However, slowing down or increase in maintenance costs are due to age and use.. These are known as functional causes which are called depreciation:

New Replacement Value : It means the cost of replacing an existing asset with an identical or substantially similar new asset having similar production or service capacity including installation expenses.



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Fair Market Value (FMV) : The fair market value is defined as the value being offered by a willing buyer to the seller, not under compulsion to enter into the transaction.

Future Expected Life: Since obsolescence is a prime factor in depreciation, physical life of a property is often not the life which must be considered in establishing the period upto which the equipment will probably be operated upon, on an economical basis.

The future expected life is difference of economic life and age of the machine. The proper upkeep and maintenance enhances useful economic life.

Age: Age has been determined with reference to the year of purchase, condition of the asset. This depends on the type of asset and its condition. Good condition will increase the salvage value while poor condition reduces it.

Factors Governing the Assessment are:

- * Make, Specifications and Origin
- * Condition and state of repairs & Maintenance
- * Age & residual life
- * Usage

Methodology Adopted for Valuation:

- i. Determination of the current market value (Replacement Cost)
- ii. Derive adjusted current value after deducting the assessed technical obsolescence factor from the current market value.
- iii. Arrive at depreciated or net replacement value after deducting the depreciation based on assessed age and past life.

Obsolescence:

The type of obsolescence for an industry may be treated as given below:

- i. **Functional Obsolescence:** arises when the machine already in function, loses its optimum capacity owing to decline in operation from its operating counterparts.
- ii. **Economic Obsolescence:** Arising out of the factors external to the plant and machinery itself. This could be due to the change of demand of the product or shrinkage in supply of raw materials and labour, legislation, affecting taxes or duties and other environmental factors.



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Residual Life:

The economic residual life of the machine represents the number of years the machine can be productively utilized from the date of valuation. Each asset, irrespective of its age and utility, has been assumed to contribute to the plant as a going concern.

Depreciation:

The depreciation of each machine has been calculated separately after taking into account the present condition, the past life and residual economic life.

Rate of depreciation has been calculated for the assessed residual life using the straight line method.

Our Approach to Valuation

* Replacement Cost/Fair Market Value has been arrived at considering the following factors:

a) Business scenario in the economy

b) Prices of various plant & Machinery, in the today scenario when the commodity prices are at low and no fresh capacity expansions are taking place, equipment suppliers are offering attractive offers to supply the materials in the absence of orders.

* Valuation of the company's assets could be either on the basis of "Going Concern Value" or "Liquidation value" or "on as is where is basis" has been followed. In other words, the valuation has been done on the basis of "Existing Use Value" on the assumption that, the assets for which current replacement value is sought will be used for which it was originally intended.

* Following factors have also been considered while arriving at the realizable/distressed sale value.

* Ongoing slump in the sector and very tough time for every industry and large number of small competitors.

Based on trend of prices for specific machinery, comparison with recent invoices, discussions with some of the suppliers and management, all machinery was categorized under different groups based on usage/technology used etc and the following was deduced and used for arriving at Replacement Value.



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Summary of Valuation & Conclusion:

Based on the principle and norms of valuation adopting the methodology and other factors as indicated above, the fair market value of the fixed assets has been worked out as on 15.12.2020.

The basic approach to valuation has been to assess the replacement cost in their current condition and as is where is basis concept.

Conclusion:

As a result of appraisal and analysis, it is our considered opinion that

Fair Market Value : Rs 1.66 Crore (Rupees One Crore Sixty Six Lacs only)

Realisable Value (85%) : Rs 1.41Crore (Rupees One Crore Forty One Lacs only)

Distress Value (75%) : Rs1.24Crore (Rupees One Crore Twenty Four Lacs only)



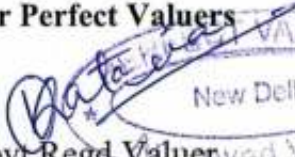
DISCLAIMER

1. This report is prepared for the valuation of the Fixed Assets owned by M/S Jhandewalas Foods Ltd at the request of State Bank of India, SAMB Br, New Delhi.
2. Any other person or legal entity is precluded from copying, reproducing, repackaging etc, in whole or in part for any similar or other purposes without the express consent of M/S Perfect Valuers.
3. All the information contained in this report is obtained by the company and bank and other sources believed to be accurate & reliable.
4. The estimations & valuations and other forecasts presented in this report are based on the information and assumptions considered to be reasonable by bank & all other concerned parties.
5. Under the circumstances, no assurance can be provided that the assumptions or data upon which these estimations /valuations have been worked out are accurate. Hence, Perfect Valuers, in particular, makes no representation or warranty, express or implied as to the accuracy, timeliness or completeness of any such information.
6. All information contained herein must be construed solely as statements of opinion and we shall not be liable for any loss incurred by the end-users viz the target lender as a consequence of relying upon this report or its contents.

It may be further stated that

- (a) The information above is true & correct to the best of our knowledge.
- (b) We have no direct or indirect interest in the machinery valued.
- (c) We have personally inspected the Plant & Machinery of Unit.
- (d) The contents of this report are only for technical valuation for specific purpose as defined and should not be read in any other context.

For Perfect Valuers


Govt Regd Valuer

New Delhi



PERFECT VALUERS



PERFECT VALUERS
New Delhi
Approved Valuer

VALUATION REPORT OF PLANT & MACHINERY OWNED BY M/S JHANDEWALAS FOODS LTD INSTALLED AT PLOT NO F-551 B , Road No 6, VISHWAKARMA IND AREA, JAIPUR (RAJASTHAN) .									
									ANNEXURE-1
Description	Year of installation	Original Cost	Replacement Cost	Total Life	Residue Life	Depreciated Cost	Obsolescence Factor	Fair Market Value	Realisable Value
Plant & Machinery									
Water Tank	2008	97,300.00	121,625.00	20	8	55,947.50	0.90	50,352.75	42,799.84
Dies	2008	2,089,060.00	2,611,325.00	20	8	1,201,209.50	0.90	1,081,088.55	918,925.27
Air Conditioners	2008	60,020.00	75,025.00	20	8	34,511.50	0.90	31,060.35	26,401.30
SS Butter Processing Unit	2008	11,944,476.00	14,930,595.00	20	8	6,868,073.70	0.90	6,181,266.33	5,254,076.38
Lab Equipments	2008	355,137.00	443,921.25	20	8	204,203.78	0.90	183,783.40	156,215.89
Cold Rooms Equipments	2008	3,802,106.00	4,752,632.50	20	8	2,186,210.95	0.90	1,967,589.86	1,672,451.38
Chimney Pipe	2008	32,288.00	40,360.00	20	8	18,565.60	0.90	16,709.04	14,202.68
Coding Machine	2008	47,820.00	59,775.00	20	8	27,496.50	0.90	24,746.85	21,034.82
Digital Refractometer	2008	40,824.00	51,030.00	20	8	23,473.80	0.90	21,126.42	17,957.46
Goods Cum Passenger Lift	2008	623,398.00	779,247.50	20	8	358,453.85	0.90	322,608.47	274,217.20
Storage Tank	2008	3,216,225.00	4,020,281.25	20	8	1,849,329.38	0.90	1,664,396.44	1,414,736.97
Butter Melting System SS	2008	1,088,673.00	1,360,841.25	20	8	625,986.98	0.90	563,388.28	478,880.04
Pallets	2008	776,853.00	971,066.25	20	8	446,690.48	0.90	402,021.43	341,718.21
Br Machine	2008	3,000.00	3,750.00	20	8	1,725.00	0.90	1,552.50	1,319.63
Inverter	2008	54,150.00	67,687.50	20	8	31,136.25	0.90	28,022.63	23,819.23
Air Curtain	2008	10,143.00	12,678.75	20	8	5,832.23	0.90	5,249.00	4,461.65
AFPC Reader	2008	15,500.00	19,375.00	20	8	8,912.50	0.90	8,021.25	6,818.06
Fridge	2008	8,700.00	10,875.00	20	8	5,002.50	0.90	4,502.25	3,826.91
Water Pump	2008	79,886.00	99,857.50	20	8	45,934.45	0.90	41,341.01	35,139.85
Weighing Machine	2008	928,296.00	1,160,370.00	20	8	533,770.20	0.90	480,393.18	408,334.20
Fire Fighting Equipments	2008	3,729.00	4,661.25	20	8	2,144.18	0.90	1,929.76	1,640.29
Gear Head CVM	2008	39,780.00	49,725.00	20	8	22,873.50	0.90	20,586.15	17,498.23
Ghee Boiler Cap	2008	78,253.00	97,816.25	20	8	44,995.48	0.90	40,495.93	34,421.54
Hand Pallet Truck	2008	18,240.00	22,800.00	20	8	10,488.00	0.90	9,439.20	8,023.32



Milk Cream Separator Machine	2008	35,700.00	44,625.00	20	8	20,527.50	0.90	18,474.75	15,703.54
Filt Pack Automatic Packing Machine	2008	116,300.00	145,375.00	20	8	66,872.50	0.90	60,185.25	51,157.46
Autotech System and Control	2008	57,000.00	71,250.00	20	8	32,775.00	0.90	29,497.50	25,072.88
Euroclean Star	2008	6,990.00	8,737.50	20	8	4,019.25	0.90	3,617.33	3,074.73
SS Centrifugal Pump	2008	105,418.00	131,772.50	20	8	60,615.35	0.90	54,553.82	46,370.74
Milk Centrifuge	2008	2,520.00	3,150.00	20	8	1,449.00	0.90	1,304.10	1,108.49
Water Treatment RO Plant	2008	766,500.00	958,125.00	20	8	440,737.50	0.90	396,663.75	337,164.19
Affs Machine	2008	1,684,726.00	2,105,907.50	20	8	968,717.45	0.90	871,845.71	741,068.85
Alluminium Alloy	2008	90,578.00	113,222.50	20	8	52,082.35	0.90	46,874.12	39,843.00
Band Sealer Machine	2008	68,400.00	85,500.00	20	8	39,330.00	0.90	35,397.00	30,087.45
Boiler	2008	777,790.00	972,237.50	20	8	447,229.25	0.90	402,506.33	342,130.38
Bucket Elevator	2008	229,500.00	286,875.00	20	8	131,962.50	0.90	118,766.25	100,951.31
Manual Sealing Machine	2008	14,280.00	17,850.00	20	8	8,211.00	0.90	7,389.90	6,281.42
X'sformer	2008	367,006.00	458,757.50	20	8	211,028.45	0.90	189,925.61	161,436.76
Cantrellas paddle	2008	115,000.00	143,750.00	20	8	66,125.00	0.90	59,512.50	50,585.63
Automatic Packing Machine	2008	1,213,371.00	1,516,713.75	20	8	697,688.33	0.90	627,919.49	533,731.57
Vediojet Printing Machine	2008	603,928.00	754,910.00	20	8	347,258.60	0.90	312,532.74	265,652.83
Ultra Search MetalDetector	2008	213,282.00	266,602.50	20	8	122,637.15	0.90	110,373.44	93,817.42
Jar Filling Machine	2008	67,191.00	83,988.75	20	8	38,634.83	0.90	34,771.34	29,555.64
15 Kg Ghee Filling Machne	2008	135,405.00	169,256.25	20	8	77,857.88	0.90	70,072.09	59,561.27
Window AC & Stabilizer	2008	35,150.00	43,937.50	20	8	20,211.25	0.90	18,190.13	15,461.61
Hand Blender	2008	3,435.00	4,293.75	20	8	1,975.13	0.90	1,777.61	1,510.97
Neelkamal Roto crate Blue 400 Ltrs	2008	6,209.00	7,761.25	20	8	3,570.18	0.90	3,213.16	2,731.18
Capacitors Compressor	2008	16,790.00	20,987.50	20	8	9,654.25	0.90	8,688.83	7,385.50
KSB Pump 3 HP	2008	20,184.00	25,230.00	20	8	11,605.80	0.90	10,445.22	8,878.44
								16,646,168.93	14,149,243.59
							SAY	16,600,000.00	14,100,000.00

