

REPORT FORMAT: V-L14 (Bank - Composite Plant – Large)

CASE NO. VIS (2022-23) PL112-096-151

DATED: 03/06/2022

# PROJECT VALUATION REPORT

OF

NATURE OF ASSETS	LAND & BUILDING, PLANT & MACHINERY & OTHER MISCELLANEOUS FIXED ASSET
CATEGORY OF ASSETS	INDUSTRIAL
TYPE OF ASSETS	INDUSTRIAL PLANT

SITUATED AT

M/S NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED (NFCL), NAGARJUNA ROAD,  
KAKINADA, EAST GODAVARI DISTRICT, ANDHRA PRADESH

REPORT PREPARED FOR

■ Corporate Valuers

■ Business/ Enterprise/ Equity Valuations

■ Lender's Independent Engineers (LIE), WORLD TRADE CENTRE COMPLEX, 7<sup>th</sup> FLOOR, LCG,

■ Techno Economic Viability Consultants (TEV)

*\*\*Important - In case of any query/ issue/ concern or escalation you may please contact Incident Manager @*

■ Agency for Specialized Account Monitoring (ASAM)

*NOTE: As per IBA Guidelines please provide your feedback on the report within 15 days of its submission after which  
report will be considered to be accepted & correct.*

■ Project Techno-Financial Advisors

■ Chartered Engineers

*Valuation Terms of Services & Valuer's Important Remarks are available at [www.rkassociates.org](http://www.rkassociates.org) for reference.*

■ Industry/ Trade Rehabilitation Consultants

■ NPA Management

■ Panel Valuer & Techno Economic Consultants for PSU  
Banks

CORPORATE OFFICE:

D-39, 2nd floor, Sector 2, Noida-201301

Ph - +91-0120-4110117, 4324647, +91 - 9958632707

E-mail - [valuers@rkassociates.org](mailto:valuers@rkassociates.org) | Website: [www.rkassociates.org](http://www.rkassociates.org)



**IMPORTANT NOTICE**

**COPYRIGHT FORMAT:** This report is prepared on the copyright format of R.K Associates to serve our clients with the best possible information and analysis to facilitate them to take rational business decisions. Legally no one can copy or distribute this format without prior approval from R.K Associates. It is meant only for the advisory/ reference purpose for the organization/s as mentioned on the cover page of this report. Distribution or use of this format by any organization or individual other than R.K Associates will be seen as an unlawful act and necessary legal action can be taken against the defaulters.

This report is intended for the sole use of the intended recipient/s and contains material that is **STRICTLY CONFIDENTIAL AND PRIVATE**.

**DEFECT LIABILITY PERIOD:** - In case of any query/ issue or escalation you may please contact Incident Manager at [valuers@rkassociates.org](mailto:valuers@rkassociates.org). We ensure 100% accuracy in the calculations done, rates adopted and various other data points & information mentioned in the report but even though can't rule out typing, human errors or any other mistakes. In case you find any such mistake or inaccuracy in any data point of the report, please help us by bringing all such points into our notice immediately or within 15 days of the report delivery in writing, to rectify these timely failing after which R.K Associates won't be held responsible for any such inaccuracy in any manner. We would highly appreciate your feedback in order to improve our services.



**TABLE OF CONTENTS**

SECTIONS	PARTICULARS	PAGE NO.
Part A	SNAPSHOT OF THE ASSET/ PROPERTY UNDER VALUATION	04
Part B	SUMMARY OF THE VALUATION REPORT	05
Part C	INTRODUCTION	07
	1. Name of the Project	08
	2. Purpose of Report	08
	3. Brief Description of the Project	08
	4. Type of Report	24
	5. Scope of the Report	25
	6. Documents/Data Referred	25
Part D	RKA FORMAT ON OPINION REPORT ON VALUATION	26
Part E	AREA & SPECIFICATION DESCRIPTION OF PROJECT TANGIBLE ASSET	34
	1. Land Area	34
	2. Building and Structure Area	35
Part F	PROJECT NOCS & STATUTORY APPROVAL DETAILS	37
Part G	PROCEDURE OF VALUATION ASSESSMENT	38
	1. Land Valuation Assessment	38
	2. Building Valuation Assessment	52
Part H	CHARACTERISTICS DESCRIPTION OF PLANT/ MACHINERY	56
Part I	PROCEDURE OF VALUATION ASSESMENT – PLANT & MACHINERY	60
Part J	RECENTLY INSTALLED FERTILIZER PLANTS AND M&A	66
Part K	CONSOLIDATED VALUATION ASSESSMENT OF THE PLANT	67
	Enclosure – I (Google Map Location)	74
	Enclosure – II (References of Price Trend of the Similar Related Properties Available on Public Domain)	75
	Enclosure – III (Photographs of the Property)	78
	Enclosure – IV (Copy of Circle Rate)	106
	Enclosure – V (Important Property Documents Exhibit)	107
	Enclosure – VI (Net Profit Of Fertilizer Sector)	111
PART L	VALUER'S IMPORTANT REMARKS	112



**PART A**

**SNAPSHOT OF THE ASSET/ PROPERTY UNDER VALUATION**



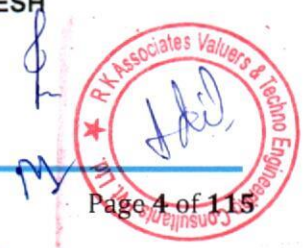
**SITUATED AT**

**M/S NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED (NFCL), NAGARJUNA ROAD,  
KAKINADA, EAST GODAVARI DISTRICT, ANDHRA PRADESH**

**CASE NO.: VIS(2022-23)-PL112-096-151**

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 4 of 115





**PART B**

**SUMMARY OF THE VALUATION REPORT**

S.NO.	CONTENTS	DESCRIPTION	
<b>1.</b>	<b>GENERAL DETAILS</b>		
a.	Report prepared for	Industrial Development Bank of India (IDBI)	
b.	Name of Borrower unit	M/s. Nagarjuna Fertilizers and Chemicals Limited	
c.	Name of Property Owner	M/s. Nagarjuna Fertilizers and Chemicals Limited	
d.	Address & Phone Number of the owner	Nagarjuna Fertilizers and Chemicals Limited, Nagarjuna Hills, Hyderabad, Telangana - 500 082	
e.	Type of the Property	Fertilizer Manufacturing Unit	
f.	Type of Valuation Report	Industrial Land & Building and Plant & Machinery Valuation	
g.	Report Type	Detailed Asset Valuation	
h.	Date of Inspection of the Property	27 May 2022	
i.	Date of Valuation Assessment	3 June 2022	
j.	Date of Valuation Report	3 June 2022	
k.	Surveyed in presence of	Owner's representative	Mr. Suresh and Mr. R. Raghavan ☎-+91 98668 86089
l.	Purpose of the Valuation	For Distress Sale of mortgaged assets under NPA a/c	
m.	Scope of the Report	Non Binding Opinion on General Prospective Valuation Assessment of the Property identified by Property owner or through its representative	
n.	Out-of-Scope of Report	a) Verification of authenticity of documents from originals or cross-checking from any Govt. dept. is not done at our end. b) Legal aspects of the property are out-of-scope of this report. c) Identification of the property is only limited to cross verification from its boundaries at site if mentioned in the provided documents. d) Getting cizra map or coordination with revenue officers for site identification is not done at our end. e) Measurement is only limited up to sample random measurement. f) Measurement of the property as a whole is not done at our end. g) Drawing Map & design of the property is out of scope of the work.	
o.	Documents provided for perusal	<b>Documents Requested</b>	<b>Documents Provided</b>
		Total 05 Documents requested.	Total 03 documents provided.
		Property Title document	Agreement to Sale
		Project Approval Documents	Application for Consent to operation and Fire NOC
		Copy of TIR	Copy of TIR
		Approved Map	None

**CASE NO.: VIS(2022-23)-PL112-096-151**





		Last paid Electricity Bill	None
p.	Identification of the property	<input type="checkbox"/>	Cross checked from boundaries of the property or address mentioned in the deed
		<input checked="" type="checkbox"/>	Done from the name plate displayed on the property
		<input checked="" type="checkbox"/>	Identified by the Owner's representative
		<input type="checkbox"/>	Enquired from local residents/ public
		<input type="checkbox"/>	Identification of the property could not be done properly
		<input type="checkbox"/>	Survey was not done

2.	VALUATION SUMMARY	
i.	Total Prospective Fair Market Value	Rs.1009,18,00,000/-
ii.	Total Expected Realizable/ Fetch Value	Rs.756,90,00,000/-
iii.	Total Expected Distress/ Forced Sale Value	Rs.656,00,00,000/-
iv.	Total Liquidation Value	Rs.605,50,00,000/-

3.	ENCLOSURES	
a.	Part A	Snapshot of The Asset/ Property Under Valuation
b.	Part B	Summary of The Valuation Report
c.	Part C	Introduction
d.	Part D	RKA Format on Opinion Report on Valuation
e.	Part E	Area & Specification Description Of The Project Tangible Asset
f.	Part F	Project statutory approvals and NOC details
g.	Part G	Procedure of Valuation assessment
h.	Part H	Characteristics Description of Plant & Machinery
i.	Part I	Procedure of Valuation Assessment- Plant and machinery
j.	Part J	Recently Installed Fertilizer Plants and M&A
k.	Part K	Consolidated Value Assessment of the Plant
l.	Enclosure 1	Price Trend references Of the Similar Related Properties Available on Public Domain.
m.	Enclosure 2	Google Map
n.	Enclosure 3	Photographs
o.	Enclosure 4	Copy of Circle Rate
p.	Enclosure 5	Valuer's Important Remarks



**PART C**

**INTRODUCTION**

- 1. NAME OF THE PROJECT:** Fixed Asset Valuation of Natural gas-based fertilizer complex at Kakinada, Andhra Pradesh which consists of HTAS technology-based 2x1050 TPD Ammonia unit and Saipem technology based 2x1810 TPD urea unit along with required offsite and utility facilities including captive power generation units of total capacity 35.54 MW being operated by Nagarjuna Fertilizers and Chemicals Limited (NFCL).
- 2. PURPOSE OF REPORT:** R.K Associates has been appointed by IDBI Bank, LCG Branch, World Trade Centre Complex, 7<sup>th</sup> Floor, D-Wing, IDBI Tower, Cuff Parade, Mumbai for carrying out the fixed asset valuation (i.e. valuation of land, building and plant & machinery) of the above-mentioned subject property on as-is-where-is basis as mentioned in appointment letter no. IDBI/NMG/NFCL/2022-23/114 dated 4<sup>th</sup> May 2022.
- 3. BRIEF DESCRIPTION OF THE PROJECT:** NFCL is a limited company listed on BSE and NSE both. It is a flagship company of the Nagarjuna Group of Andhra Pradesh promoted by Sh. KVS Raju. NFCL is currently operating an ammonia based Urea Plant at Kakinada town of East Godavari district with an installed capacity of 2 X 900 MTPD = 1800 MTPD of ammonia and 2 X 1500 MTPD = 3000 MTPD with 450 MTPD CDR facility.

In year 1985, Kakinada Fertilizer Project was handed over to Nagarjuna Group. Further NFCL started its fertilizer production in the year 1992 with 1500 TPD urea unit and 900 TPD ammonia unit with natural gas as the feedstock. In 1998, the capacity was enhanced by setting up another set of 900 TPD ammonia and 1500 TPD urea units but with the advantage of using both Naphtha / Natural Gas as feedstock. Based on the Government of India directive, between the years 2007 and 2009, the feed and fuel were switched over from Naphtha to Natural gas, along with the installation of a 450 TPD carbon dioxide recovery unit. Along with this, a few limiting types of equipment were replaced. After that, by operating the plant at more than 330 days per annum and taking into account all engineering safety margins, NFCL was able to push maximum average production capacity to 2,650 MTPD for Ammonia and 4606 MTPD for Urea till GAIL pipeline accident in 2014. However, as on date of site visit, only the production and supply of Urea was in process.



### 3.1 PROJECT PRODUCTION CAPACITY

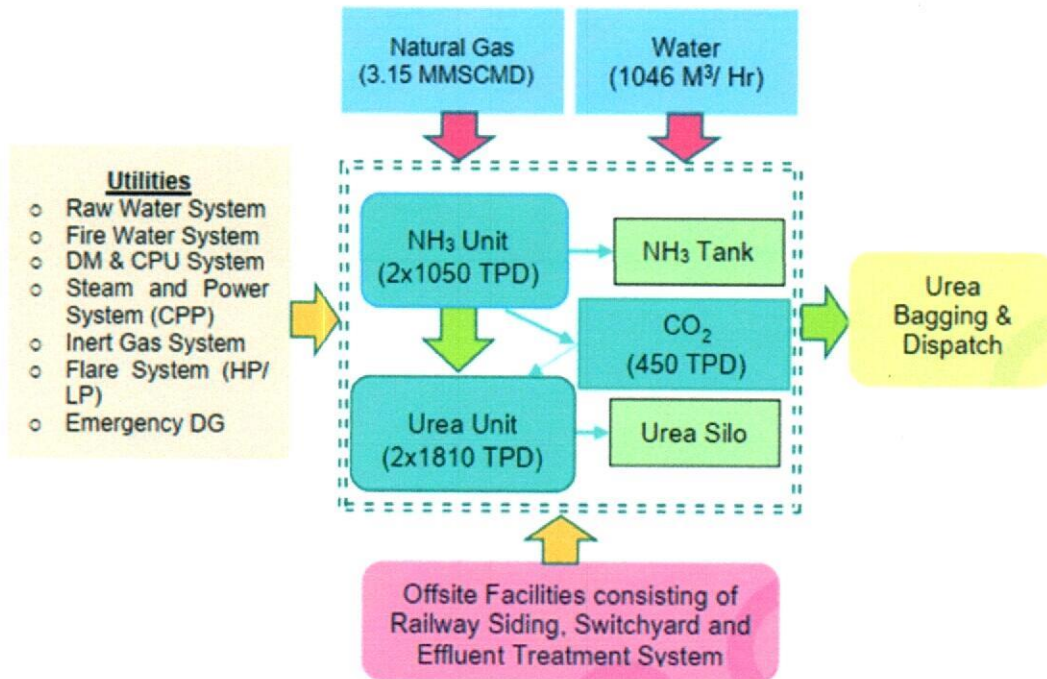
Facility	Installed Capacity	Plant Capacity as assessed by Government
Ammonia	2 X 900 MTPD = 1800 MTPD	2 X 1050 MTPD = 2100 MTPD
Urea	2 X 1500 MTPD = 3000 MTPD	2 X 1810 MTPD = 3620 MTPD
CDR	450 MTPD	450 MTPD
<b>Offsite facilities:</b>		
Offsite Boilers	2 x 100 MTPH by Mitsui, Japan	
Gas Turbines/HRSG	2 x 6.77 MW/60 MTPH by Turbotechnica, Italy 1 x 21.0 MW/100 MTPH by Thomassen, Netherlands	
Raw Water Treatment	2 x 1175 m³ /hr	
DM Plant	4 x 60 m³ / hr	
Condensate Polishing	3 x 125 m³ / hr & 3 x 200 m³ / hr	
Inert Gas Plant	600 Nm³ / hr	
Urea Cooling Towers	26,000m³ / hr	
Ammonia Cooling Towers	40,000m³ / hr	
Plant Air	2 x 900 Nm³ / hr	
Instrument Air	2 x 2200 Nm³ / hr	
Effluent Treatment	300 m³ / hr	
Emergency Power	2 x 1375 KVA	
NH3 Storage Capacity	2 x 5000 MT	
Urea Silo Capacity	30,000 MT	
Bagging Plant Capacity	240 MTPH	

(Source: Company and Mott MacDonald TDD Report)





### Plant Configuration:



(Source: Company and Mott MacDonald TDD Report)

### 3.2 LOCATION

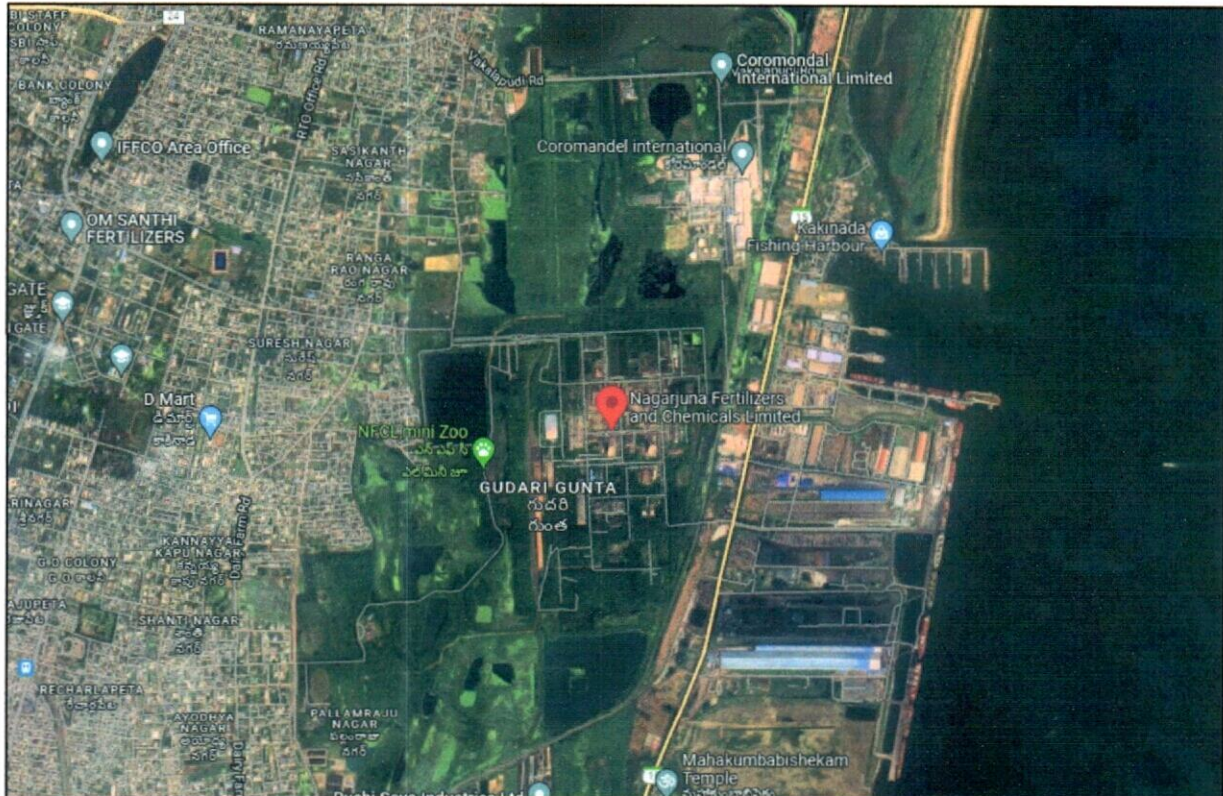
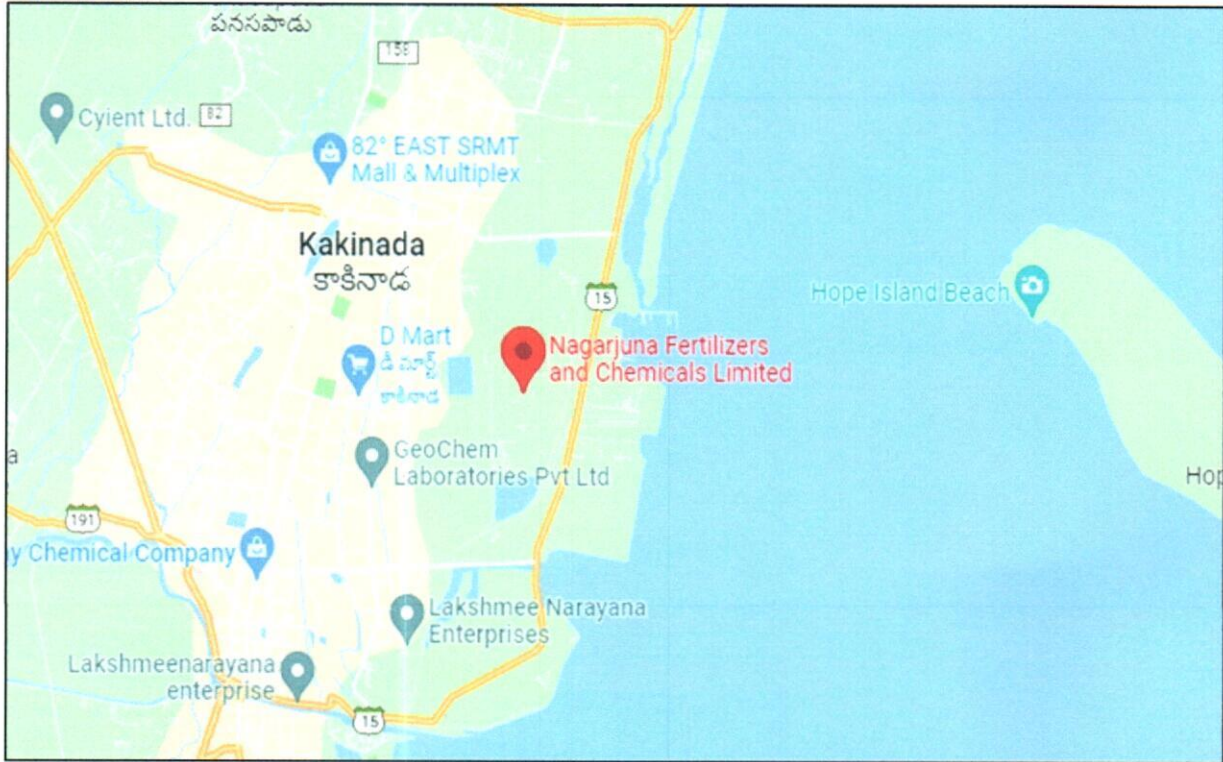
NFCL Fertilizer Manufacturing Plant is strategically located in Kakinada Town, East Godavari District, Andhra Pradesh. It is amidst Kakinada port on the east side and Kakinada town on the west side. Coringa Wildlife Sanctuary which is an eco-sensitive zone is located at a distance of approx. 8 km from the southernmost point of the subject property.





# VALUATION ASSESSMENT

## M/S NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

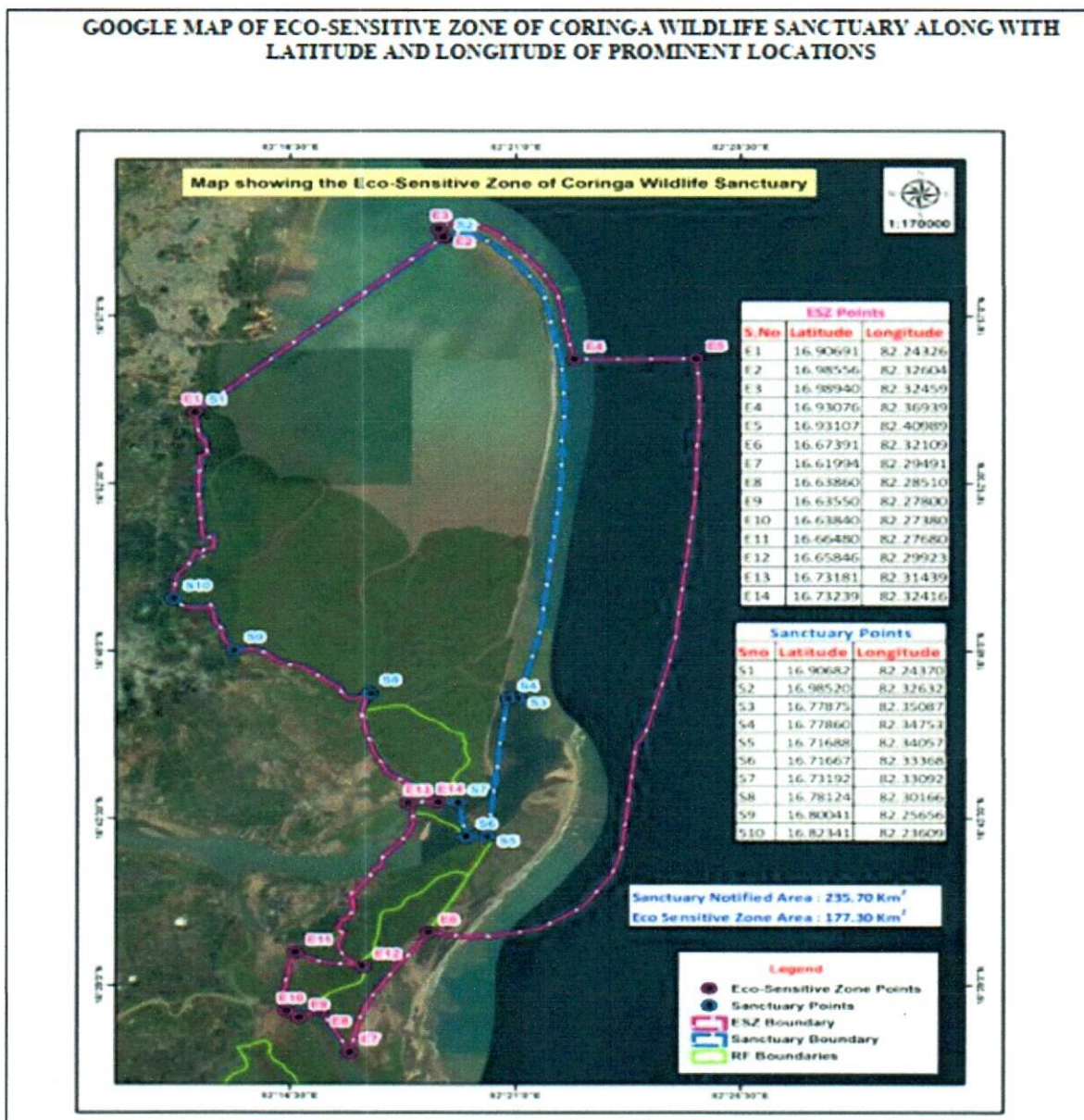


CASE NO.: VIS(2022-23)-PL112-096-151

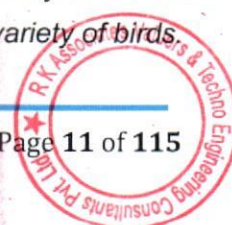
Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)







As per Ministry of Environment, Forest and Climate Change Notification, dated 21<sup>st</sup> September 2021 considering the future development needs of Kakinada city, present activities of Kakinada port and the primary livelihood activity (i.e. fishing) for the villagers settling around the Sanctuary, it was decided that, width of Eco-sensitive Zone towards eastern side (sea side) 500 meters to 5 km excluding present port limits, 50 meters towards northern boundary, upto 11.5 kilometers towards southern side and restricted to 50 meters from the boundary line of Coringa Wildlife Sanctuary towards western side (i.e. Kakinada city) has to be declared for the safety of the wild animals including fishing cat, otters and especially olive Ridley turtles, and also variety of birds.





### 3.3 Project Cost

As per the FAR dated 31<sup>st</sup> March 2022 provided by the company, the total acquisition cost of the fixed assets owned by the company is Rs.2,486.76 cr. Head-wise gross block is tabulated below:

Sr. No.	Particulars	Total Acquisition & Production Cost
1	Land	₹ 7,61,93,363
2	Buildings	₹ 1,10,65,36,684
3	Roads, Bridges and Culverts Factory	₹ 11,32,08,583
4	Plant & Machinery	₹ 23,32,29,16,230
5	Furniture & Fittings	₹ 2,23,91,475
6	Information Technology Equipments	₹ 2,62,17,411
7	Other Equipments	₹ 5,14,25,503
8	Railway Sidings	₹ 13,52,62,180
9	Vehicles	₹ 1,34,18,920
<b>Total</b>		<b>₹ 2486,75,70,347</b>

### 3.4 Land

Referring to the minutes of meeting of the CFE meeting held on 27.07.2017, copy of which is available in public domain, M/S NFCL has been allotted a total of 1127 acres of land in two tranches. In first tranche the company was allotted 440 acres of Land during M/S GFCL (i.e. presently M/S coromandel fertilizer) separation for establishment of the fertilizer industry. Subsequently M/s NFCL requested the government for acquisition of additional land of 757 acres stating that the extent of land presently with them is grossly inadequate for present and future expansion requirement of their project. Subsequently, M/s NFCL submitted revised requisition for 687 acres against 757 acres.

In Second tranche of land allotment the government of Andhra Pradesh allotted additional land of 687 acres to M/s Nagarjuna Fertilizers and chemicals limited, Kakinada on 02.07.1985.

However, as per details of the land provided by the company the actual land area currently available with NFCL admeasures 960.08 Acre only. 960.08 Acre of land includes 177 Acre of land as Core/Main plant area and the remaining area ad measuring 783.08 Acre is being maintained by NFCL as mandatory Green area at its own cost. However as per Consent for operation the company has to maintain 789 Acres as greenbelt as a compliance to Consent for operations.





As per our discussion with the lender they have mortgaged 960.080 Acres of Kakinada Plant land area which for which the sale deeds have been submitted to the bank as mentioned in Memorandum of entry. Details of Land parcels under 960.080 Acres are as below:

SUMMARY OF KAKINADA LAND AREA AS PER MEMORANDUM OF ENTRY		
Village	Award date	Area (Acres)
Suryaraopeta	08-10-1977	522.55
Suryaraopeta	07-04-1980	6.88
Vakalapudi	29-04-1978	317.14
Less: Released Area In Suryaraopeta	-	129.58
Less: Released area in Vakalapudi	-	309.64
<b>Sub total (Part A)</b>		<b>407.35</b>
Suryaraopeta	15-02-1987	134.47
Suryaraopeta	18-02-1987	27.55
Suryaraopeta	23-04-1987	3.07
Suryaraopeta	04-05-1987	170.20
Suryaraopeta	08-05-1987	51.86
Suryaraopeta	11-05-1987	18.00
Suryaraopeta	04-11-1987	52.66
Suryaraopeta	04-11-1987	8.00
Suryaraopeta	02-04-1988	3.00
Suryaraopeta	10-05-1988	20.36
Suryaraopeta	10-05-1988	2.00
Suryaraopeta	01-07-1988	5.00
<b>Sub Total (Part B)</b>		<b>496.17</b>
Suryaraopeta	-	5.00
Suryaraopeta	19-10-1988	10.51
Suryaraopeta	01-09-1992	6.11
Suryaraopeta	24-12-1992	34.94
<b>Sub Total (Additional IP)</b>		<b>56.56</b>
<b>Grand Total</b>		<b>960.08</b>



As per the area measurement through satellite measurement tools, it is coming out to be in-line with the area mentioned in the MOE i.e. ~960 acres. Therefore, the land area mentioned in the MOE has been taken for the purpose of this valuation.

### 3.5 Buildings

As per the provided details related to the buildings and civil work done in the subject plant, details along with the additional supporting structures, the project comprises a mixture of RCC framed structure with RCC Roofing, RCC framed structure with shed Roofing, Load Bearing structures and Pre-Engineered buildings. Total built-up area of all the structures constructed on the subject property admeasures 1,26,424 sqm or 13,60,828 sq ft.

Buildings such as Tech Building and Lab Building, Plant-1 control room, Operator cabins, Substation 2, Substation 3, Plant-2 control room, Ammonia substation, Urea substation, Steam and power generation plant including Substation 1 etc. are present inside the subject premise. Construction of these structures was completed between the years 1992 and 2012.

Details pertaining to Land & Building (Building & Civil Work) are enumerated in different section of this report. Building and civil work was found to be in average condition. Some of the portions of the buildings requires major maintenance.

In September, 2021, company has appointed Mott MacDonald to assess the technical capability, refurbishment and maintenance cost. As per the Report, activities and corresponding CAPEX envisaged to strengthen and improve the overall condition of the civil infrastructure of the plant is tabulated below:




S. No	Details of Requirement	Estimated Cost (INR Cr)
1	Cost of roof treatment required for all buildings and structures.	9.50
2	Cost of concrete repairs of Cooling Towers 1 and 2	1.80
3	Cost of Cooling Tower 1 and 2 damaged wooden structure repair/recondition	20.00
4	Cost of damaged concrete repairs in pipe racks and building in all plants	11.00
5	Cost of treatment of Bagging plant floors, which are damaged due to chemical attack	1.60
6	Total area (300000 sq meters) of Painting done for Plant 1, Plant 2 and off-sites during project stage	20.00
7	Cost of renewal bituminous coat on all roads in plant area	15.00
8	Cost of Railway Track maintenance to be taken-up to improve reliability	4.90
9	Prilling towers inside protective coating	2.50
10	Bagging plant building & RCC structures strengthening	1.20
<b>Total</b>		<b>87.50</b>

Source: NFCL

(Source: Mott MacDonald's TDD Report)

### 3.6 RAW MATERIAL

#### 3.6.1 Gas

Source for ammonia as well as the gas turbine units is natural gas. Auxiliary boilers are designed for use of natural gas / low sulphur heavy stock (LSHS). Natural gas requirement at 100% utilization of the revamp capacity is 3.15 MMSCMD and at 95% utilization, it is 3 MMSCMD. The main supplier of natural gas for the Company is GAIL. The daily contract quantity from GAIL is 2.14 MMSCMD while the remaining requirement of the plant is met from GAIL's RLNG sources.

#### 3.6.2 Water and Power

Water requirement is met through supplies from AP Public Health/Irrigation Department and Power requirement would be met through captive source i.e., NFCL is having 3 gas turbines, which caters required power for the complex. However, NFCL is having contract with AP Transco for supply of 6 MVA.

### 3.7 Utilities and Offsite facilities

#### 3.7.1 Water

1046 m<sup>3</sup>/hr of water is required for the plant which is sourced from Dowlaiswaram barrage which is approx. 60 km away. The water is stored in tank of 2,044,122m<sup>3</sup> storage capacity near Samalkot, 13 km from the NFCL plant. Raw water from this tank is flown by gravity to plant raw water reservoir through two underground water pipes of 1 metre diameter each. Pre-treatment plant of 2x1175 m<sup>3</sup>/hr capacity is installed.

CASE NO.: VIS(2022-23)-PL112-096-151





**Filtered and treated raw water would be required for meeting the requirements of:**

1. DM water for process
2. Cooling water for make-up for Ammonia / Urea / CPP
3. Service water
4. Fire Water make-up
5. Drinking water

### **3.7.2 Power and Steam generation plant**

Power requirement for the complex is 28.75 MW which is majorly met by captive generation and partly from APSEB. NFCL has two gas turbines (GT – A & B) of 7 MW capacity and one unit (GT – C) of 21 MW capacity running on natural gas.

Flue gases from these turbines leave at 540 °C, sensible heat of which is recovered in three heat recovery steam generators (HRSGs) of 60 TPH (2 nos.) and 100 TPH (1 no.) capacity. Two auxiliary boilers of 100 TPH capacity are also installed to meet the process steam requirements.

### **3.7.3 Compressed Air**

Ammonia plant caters to the compressed air needs of OSBL facilities and passivation air to Urea plant. It will also cater to the instrument air requirement of ammonia unit, urea unit and other utilities and offsite systems.

### **3.7.4 Plant Capacity Utilization**

In September, 2021 technical consultant Mott Macdonald has done the thorough review of Plant capacity utilization. Excerpts from the Mot Mac report are mentioned below. It is noted by the consultant that during the operational period, the Plant achieved more than 100% of the capacity utilization.



**UNIT: 1**

**AMMONIA -1**

**Capacity Utilization**

Post-Covid-19 performance level of NFCL plant is depicted in the Figure 2.3.

**Figure 2.3: Production and Capacity Utilization Ammonia 1 (Apr 2020 to Jun 2021)**



Source: NFCL and MM Analysis

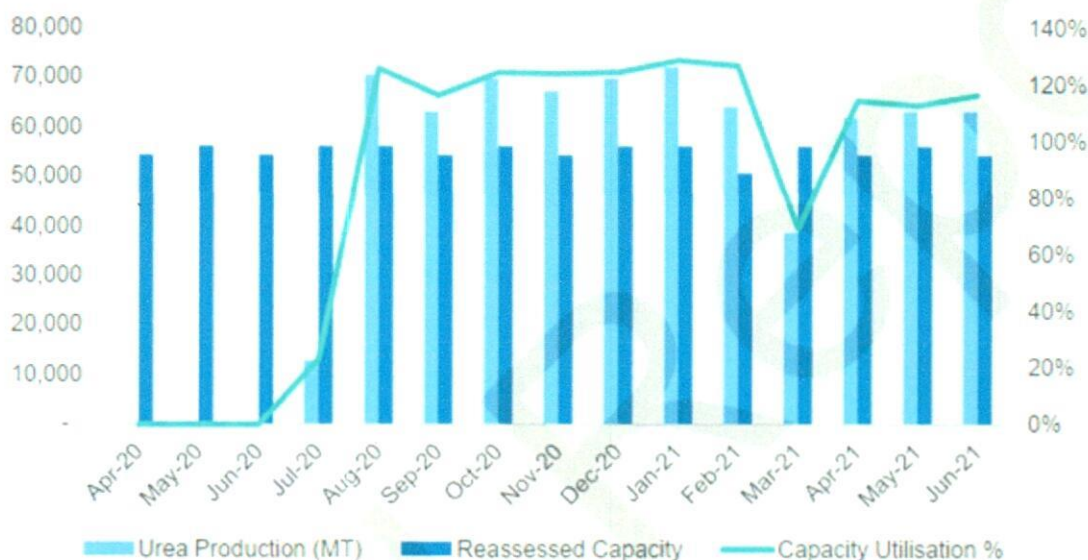
- Average capacity utilization is noted to be 91% for Apr-20 to Jun-21 period.
- During Apr-20 to Jun-20 the plant was under shutdown for annual maintenance activity. Production was noted to be zero for these months. For remaining period of Jul-20 to Jun-21 average plant utilization was 113%.
- By operating the plant at more than 330 days per annum, after taking in account all engineering, safety margins, NFCL was able to produce more urea – exceeding the reassessed capacity.
- This is evident from Figure 2.3, where average utilisation of plant, during operational period, is more than 100%.





**UREA: 1**

**Figure 2.5: Production and Capacity Utilization Urea 1 (Apr 2020 to Jun 2021)**



Source: NFCL and MM Analysis

- **Average capacity utilization is noted to be 87% for Apr-20 to Jun-21 period.**
- During Apr-20 to Jun-20 the plant was under shutdown for annual maintenance activity. Production was noted to be zero for these months.
- **For remaining period from Jul 20 to Jun 21, average plant utilization was 109%.**
- In the month of Mar 21, shutdown was taken to inspect vacuum section and in this month the ammonia generated from unit 1 was utilized to produce urea from unit 2, hence the dip in production.
- Taking cognizance of the engineering safety margins, NFCL were able to operate the plant beyond 330 days per annum – thereby producing urea in excess of the reassessed capacity.
- **This can be observed in Figure 2.5, where average utilisation of plant, during operational period, is more than 100%.**



**UNIT: 2**

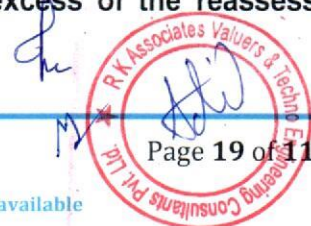
**AMMONIA -2**

**Figure 2.7: Production and Capacity Utilization Ammonia 2 (Apr 2020 to Jun 2021)**



Source: NFCL and MM Analysis

- Average capacity utilization is noted to be 31% for Apr-20 to Jun-21 period.
- During Jul-20 to Mar-21, operation at plant 2 ceased due to financial stress. Production was noted to be zero for these months. For the operational periods of Apr-20 to Jul-20 and Apr-21 to Jun-21, average plant utilization was 81%.
- It is observed that the average monthly utilization of the unit is at around 80% due to issues in Ammonia converter. It was understood that the main reactor, where Ammonia is produced had failed in Mar 2021 on account of catalyst slippage. This resulted in choking of downstream pipelines and equipment. High velocity gas entrained with catalyst particle damaged the equipment. Based on Process Licensors recommendation and industry expert's opinion the company has been attempting to repair and keep the plant in operation. It is noted that despite repeated ongoing attempts the plant operations could not be stabilized due to constant equipment failures. This has resulted in deterioration of performance of main ammonia reactor and downstream equipment, causing significant production and energy losses. This was validated by MM during their site visit.
- **By operating the plant at more than 330 days per annum, considering all engineering safety margins, Company was able to produce urea in excess of the reassessed**





capacity. This is noted from Figure 2.7, where average utilisation of plant, during operational period, is more than 100%.

## UREA -2

**Figure 2.9: Production and Capacity Utilization Urea 2 (Apr 2020 to Jun 2021)**



Source: NFCL and MM Analysis

- Average capacity utilization is noted to be 38% during Apr 20 to Jun 21 period.
- During Jul-20 to Feb-21 the plant was under shutdown due to shortage of ammonia from unit 2.
- Above period of forced shutdown was utilized for annual maintenance activity. Production was noted to be zero for these months.
- For remaining period from Mar 21 to Jun 21, average plant utilization was 61%.
- During the time when unit was available, the average utilization is hovering around 80%.
- **By operating the plant at more than 330 days per annum, after taking in account all engineering safety margins, NFCL was able to produce urea more than reassessed capacity. This can be corroborated from Figure 2.9, where average utilisation of plant, during operational period, is more than 100%.**



### 3.7.5 Current Condition of the Project

During the site survey of the project by our team, it was observed that the plant was in average condition and at some places the condition of the piping systems was poor. However, the project was in working condition and Urea manufacturing and packaging process was operational during the site visit.

We have verified some of the major machineries in the project with the help of company's in-house equipment code list since Asset numbers as per the Fixed Asset Register were not mentioned on the equipment. Below is the list of same:

SR. NO.	EQUIPMENT NO.	EQUIPMENT NAME
1	C301	ABSORBER
2	C302	H P REGENERATOR
3	C303	L P REGENERATOR
4	E211A	BFW PREHEATER I/L CO CONVERSION
5	E211B	BFW PREHEATER I/L CO CONVERSION
6	F201	PRIMARY REFORMER
7	F202	AUXILARY STEAM SUPERHEATER
8	F203	FEEDSTOCK PREHEATER
9	L501	PURGE GAS RECOVERY UNIT
10	P710A	HP BOILER FEED WATER PUMP-A
11	P710B	HP BOILER FEED WATER PUMP-B
12	P710C	HP BOILER FEED WATER PUMP-C
13	R204	HT CO CONVERTER
14	R205	LT CO CONVERTER
15	R301	METHNATOR
16	S302	ACTUATED CARBON FILTER
17	S303	MECHANICAL FILTER
18	T301	STORAGE TANK FOR GV SOLUTION
19	T351	CONDENSATE RECYCLE TANK
20	V208	INLET CO2 REMOVAL SEPARATOR
21	V508	AMMONIA ACCUMULATOR
22	C351A	MP PROCESS CONDENSATE STRIPPER
23	EE302	BOILER
24	EV718	CONDENSATE DRUM
25	C-2001	FLUE GAS QUENCHER
26	C-2002	CO2 ABSORBER
27	C-2003	REGENERATOR
28	V102	STEAM CONDENSATE TNK
29	MV109	01-K-101 SUCTION K.O.DRUM
30	ER101	UREA REACTOR
31	E105	CARBAMATE CONDENSER
32	P101A	AMMONIA REACTOR FEED PUMP-A
33	P101B	AMMONIA REACTOR FEED PUMP-B
34	P101C	AMMONIA REACTOR FEED PUMP-C
35	EV109	WASTE WATER TANK
36	EE101	UREA STRIPPER
37	EV105	UREA SOLUTION TANK



S.R. NO.	EQUIPMENT NO.	EQUIPMENT NAME
38	EE103	L.P. DECOMPOSER
39	EP114A	HYDROLYSER FEED PUMP-A
40	EP114B	HYDROLYSER FEED PUMP-B
41	ME112	PRILL TOWER LIFT

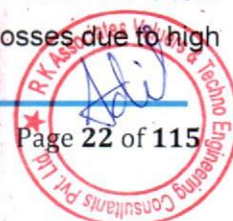
The company's representative didn't allow us to click photographs of the plant citing safety issues and have provided us the photographs on their own after the visit was completed.

In regard to current condition of the Plant and its internal health company made the following submission:

- During March 2021 failure, catalyst slippage took place choking downstream pipelines and equipment, damaging equipment due to high velocity travel of catalyst particle with gas. The plant could not be operated. Based on Technology supplier suggestions and industry expert's opinion, it was attempted to run at partial load which resulted in huge production and Energy losses.
- After March 2021 failure of Ammonia II convertor, NFCL invested of Rs 25 Crores for temporary repair of failed Ammonia II Convertor Basket and catalyst replacement.
- As new basket and catalyst is the permanent solution, which will take about 24 months to implement, a temporary repair was done with about Rs 45 Crores expenditure based on Technology supplier. Plant II was restarted, and production commenced from 14th April 2022. Despite restarting, equipment failures are taking place, which were temporarily repaired.
- The synthesis loop boiler in Ammonia plant II which was replaced during 2013 is failing frequently now, possibly because of the catalyst travel / damage, needs to be planned for replacement.
- The current plant operating energy is higher than the Industry average and the target norm fixed by the GOI due to non implementation of energy reduction capex and break downs (maintenance capex).

As per our discussion during site survey with the company's representative, it was informed to us that NFCL has drafted a revival plan in consultation with the Technology supplier Saipem, as its equipment which has outlived their life requires a replacement to avoid break down and to operate at 100% capacity. NFCL's revival plan also focus on how to meet the energy norm of 5.5 Gcal / MT of Urea, as per NUP 2015 effective from April 2018 onwards and stop cash losses due to high

**CASE NO.: VIS(2022-23)-PL112-096-151**





energy operation. Necessary steps are also envisaged to restore the reliability of units and stability in civil/structures. Plan also includes Operational and Capital expenditure required for maintaining the facilities.

In order to perform the complete technical assessment of the plant, its capacity and asset conditions, in September, 2021, company has appointed Mott MacDonald to assess the technical capability of the Plant and potential to meet energy norms and target set by Department of Fertilizers. Mott Macdonald in their report has assessed around Rs.871.5 cr. investment in energy conservation and refurbishment of the Plant. Please refer to the table below:

Plan	Description	Cost (INR Cr.)
1	Energy Conservation Scheme (Mandated by GoI)	250
	Reliability Scheme	534
2	• Reliability Measures identified pre-ammonia convertor failure <sup>1</sup>	139
	• Additional Measures identified post-ammonia convertor failure	395
<b>Total – (Energy and Reliability)</b>		<b>784</b>
3	Civil Repairs	87.5
4	Budgeted Maintenance for 24 months <sup>2</sup> @ 75 Crs per annum (Rs 35 Crs + Rs 40 Crs)	150
<b>Grand Total</b>		<b>1021.5</b>

Source: NFCL

(Source: Mott MacDonald's TDD Report)

### 3.7.6 Urea Policy

Current Urea policy for old units, operational fixed cost is based on FY 2003 data and variable cost on normative basis, gas cost based on gas pooling policy. Unlike new green field urea projects, the old depreciated units, new term loans (other than the initial project loan, cap loan in the case of NFCL), working capital cost availed by companies are not recognized or reimbursed.

NFCL's Plant-I is 30 years old, and Plant-II is 24 years old, substantial investment (maintenance capex and energy project) is also required to continue production, but these new investments are also not recognized in current urea policy for old units.

4. **TYPE OF REPORT:** Detailed Fixed Asset Valuation of the Project.

5. **SCOPE OF THE REPORT:** To assess and determine Fair Market Valuation of the tangible assets the Fertilizer Manufacturing unit owned by M/s NFCL covering the below points:

**CASE NO.: VIS(2022-23)-PL112-096-151**

Page 23 of 115



- Prospective Market Valuation of Project Land
- Depreciated Replacement Valuation of the structures
- Depreciated Replacement Valuation of Plant & Machinery and other equipment

*This is just the fixed asset valuation of the project based on the cost & market approach methodologies considering the utility of the asset for the business & the company as on-going concern basis. This Valuation shall not be construed as the transactional value of the Project which may be determined through Enterprise/ Business Valuation based on Income approach methodologies of the overall company.*

*This report only contains general assessment & opinion on the Depreciated market value of the assets of the project found on as-is-where basis on site for which the Bank/ customer has shown & asked us to conduct the Valuation for which photographs is also attached with the report. No legal aspects in terms of ownership or any other legal aspect is taken into consideration. It doesn't contain any due-diligence other than the valuation assessment of the property shown to us on site. Information/ data/ documents given to us by Bank/ client has been relied upon in good faith. This report doesn't contain any other recommendations of any sort.*

#### **6. DOCUMENTS/DATA REFERRED:**

- General information regarding various aspects and features of the property available on public domain.
- News articles available in public domain.

#### **LAND**

- Memorandum of Entry
- Minutes of Meeting

#### **BUILDING**

- Building Sheet provided by the company

#### **Plant & Machinery**

- P & M List provided by the company
- Fixed Assets Register
- Copies of Approvals and NOCs from various Government agencies and departments

**CASE NO.: VIS(2022-23)-PL112-096-151**



**PART D**

**RKA FORMAT ON OPINION REPORT ON VALUATION**

Name & Address of the Branch	IDBI, World Trade Centre Complex, 7 <sup>th</sup> Floor, LCG, D Wing, IDBI Tower, Cuff Parade
Name & Designation of concerned officer	Bhavik Shastri
Name of the Borrower	M/s. Nagarjuna Fertilizers and Chemicals Limited.

SR. NO.	CONTENTS	DESCRIPTION																																				
<b>I.</b>	<b>GENERAL</b>																																					
1.	Purpose of Valuation	For Value assessment of the asset for creating collateral mortgage for Bank Loan purpose																																				
2.	a. Date of Inspection of the Property	27 May 2022																																				
	b. Date of Valuation Assessment	3 June 2022																																				
	c. Date of Valuation Report	3 June 2022																																				
3.	List of documents produced for perusal (Documents has been referred only for reference purpose)	<table> <tr> <th>Documents Requested</th><th>Documents Provided</th><th>Documents Reference No.</th></tr> <tr> <td>Total 10 documents requested.</td><td>Total 02 documents provided</td><td>Total 02 documents provided</td></tr> <tr> <td>Property Title document</td><td>Agreement to Sale</td><td>Dated: October 1<sup>st</sup>, 1998</td></tr> <tr> <td>Copy of TIR</td><td>Copy of TIR</td><td>Dated: 06-03-2017</td></tr> <tr> <td>Fire NOC</td><td>---</td><td>Not Provided</td></tr> <tr> <td>Consent for Operation</td><td>---</td><td>The company has applied for consent for operations vide application ID PRN2101298.</td></tr> <tr> <td>PESO Approval</td><td>---</td><td>Not Provided</td></tr> <tr> <td>License for running the factory</td><td>---</td><td>Not Provided</td></tr> <tr> <td>Environment Clearance</td><td>---</td><td>Not provided</td></tr> <tr> <td>Building Plan</td><td>---</td><td>Not provided</td></tr> <tr> <td>Approved Map</td><td>---</td><td>Not provided</td></tr> <tr> <td>Last paid Electricity Bill</td><td>---</td><td>Not provided</td></tr> </table>	Documents Requested	Documents Provided	Documents Reference No.	Total 10 documents requested.	Total 02 documents provided	Total 02 documents provided	Property Title document	Agreement to Sale	Dated: October 1 <sup>st</sup> , 1998	Copy of TIR	Copy of TIR	Dated: 06-03-2017	Fire NOC	---	Not Provided	Consent for Operation	---	The company has applied for consent for operations vide application ID PRN2101298.	PESO Approval	---	Not Provided	License for running the factory	---	Not Provided	Environment Clearance	---	Not provided	Building Plan	---	Not provided	Approved Map	---	Not provided	Last paid Electricity Bill	---	Not provided
Documents Requested	Documents Provided	Documents Reference No.																																				
Total 10 documents requested.	Total 02 documents provided	Total 02 documents provided																																				
Property Title document	Agreement to Sale	Dated: October 1 <sup>st</sup> , 1998																																				
Copy of TIR	Copy of TIR	Dated: 06-03-2017																																				
Fire NOC	---	Not Provided																																				
Consent for Operation	---	The company has applied for consent for operations vide application ID PRN2101298.																																				
PESO Approval	---	Not Provided																																				
License for running the factory	---	Not Provided																																				
Environment Clearance	---	Not provided																																				
Building Plan	---	Not provided																																				
Approved Map	---	Not provided																																				
Last paid Electricity Bill	---	Not provided																																				

CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 25 of 115

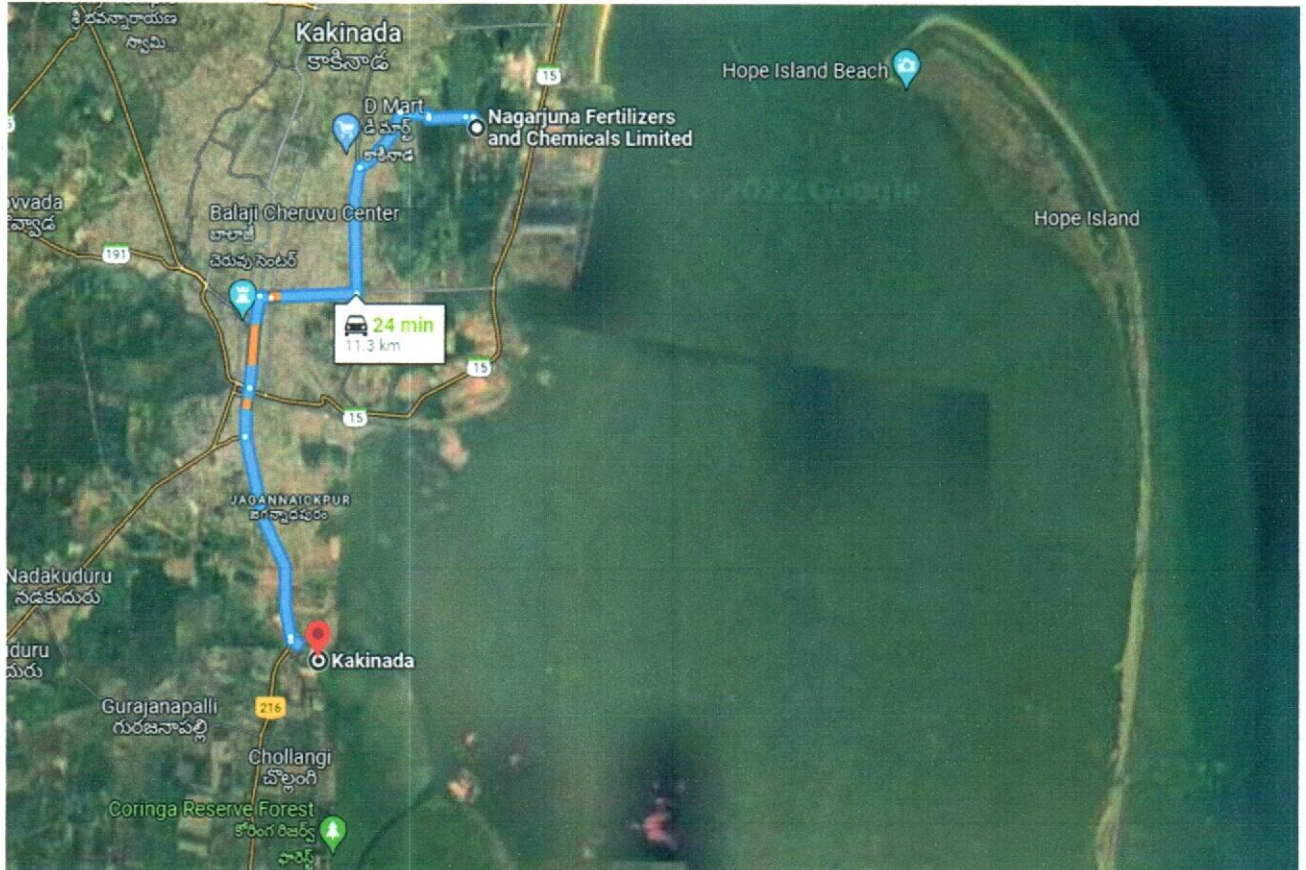




4.	Name of the owner(s) Address/ Phone no.	M/s Nagarjuna Fertilizers Private Limited Address: Nagarjuna Fertilizers and Chemicals Limited, Nagarjuna Hills, Hyderabad, Telangana- 500 082 Phone No.: +91-40-23357200
5.	<p align="center"><b>Brief description of the property</b></p> <p>This opinion on Valuation report is prepared for a Fertilizer Manufacturing unit situated at Nagarjuna Road, Kakinada, East Godavari District, Andhra Pradesh having total land area admeasuring 1040 Acres which has been awarded to NFCL as per information provided by the company. However as per Minutes of CFE Committee meeting held on 27.07.2017 at Andhra Pradesh Pollution control board office the company has been awarded a total land area admeasuring 1,127 acres.</p> <p>As per details of land provided by the company the actual land area currently available with NFCL admeasures 960.08 acres only. This land parcel includes; 177 acres of land as Core/Main plant area and the balance land parcel admeasuring 783.08 acres is being maintained by NFCL as Mandatory Green area at its own cost. However, as per consent for operation, the company has to maintain 789 acres as greenbelt as a compliance to consent for operations.</p> <p>M/s NFCL has constructed an industrial unit comprising of following buildings which are tabulated as below:</p> <p>This industrial unit is being used for Urea production. It consist of 2 no. of plants; Plant 1 and Plant 2. Plant 1 was commissioned in the year 1992 and Plant 2 was commissioned in the year 1998.</p> <p>The subject property is located adjacent to the Kakinada Port and is about 11 Km from Point E1 of Eco sensitive zone of Coringa Wildlife Sanctuary. Point E1 is the nearest boundary line point of Eco Sensitive Zone of coringa Wildlife Sanctuary.</p> <p>Vide Gazette Notification dated 21<sup>st</sup> September 2021, the Central Government notified an area to an extent varying from 50 meters to 11.5 kilometres around the boundary of Coringa Wildlife Sanctuary, in East Godavari district in the State of Andhra Pradesh as the Coringa Wildlife Sanctuary Eco-sensitive Zone.</p> <p>Extent and boundaries of Eco-Sensitive Zone:</p> <ol style="list-style-type: none"> <li>(1) The Eco-Sensitive Zone shall be to an extent of 50 meters to 11.5 Km around the boundary of Coringa Wildlife Sanctuary and the area of the Eco-Sensitive Zone is 177.30 square kilometres.</li> <li>(2) The boundary description of Coringa Wildlife Sanctuary and its Eco-Sensitive Zone is appended as Annexure-I of the Gazette notification.</li> <li>(3) The maps of the Coringa Wildlife Sanctuary demarcating Eco-Sensitive Zone along with boundary details and latitudes and longitudes are appended as Annexure-IIA and Annexure-IIB of the gazette Notification.</li> <li>(4) Lists of geo-coordinates of the boundary of Coringa Wildlife Sanctuary and Eco-Sensitive Zone are given in Table A and Table B of Annexure-III of the said Gazette Notification.</li> <li>(5) No villages are falling in the Eco-sensitive Zone of Coringa Wildlife Sanctuary as per the gazette notification.</li> </ol>	

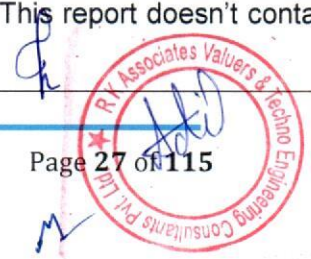






In case of discrepancy in the address mentioned in the property documents and the property shown to us at the site due to change in zoning or administrative level at the site or client misled the valuer by providing the fabricated document, the valuation should be considered of the property shown to us at the site of which the photographs are also attached. Our responsibility will be only related to the valuation of the property shown to us on the site and not regarding matching from the documents or searching the property from our own. Banker to verify from district administration/ tehsil level the identification of the property if it is the same matching with the document pledged.

This report only contains general assessment & opinion on the Guideline Value and the indicative, estimated Market Value of the property of which Bank/ customer asked us to conduct the Valuation for the property found on as-is-where basis as shown on the site by the Bank/ customer of which photographs is also attached with the report. No legal aspects in terms of ownership or any other legal aspect is taken into consideration. Even if any such information is mentioned in the report it is only referred from the information provided for which we do not assume any responsibility. Due care has been given while doing valuation assessment but it doesn't contain any due-diligence or audit or verification of any kind other than the valuation computation of the property shown to us on site. Information/ data/ documents given to us by Bank/ client have been relied upon in good faith. This report doesn't contain any other recommendations of any sort.

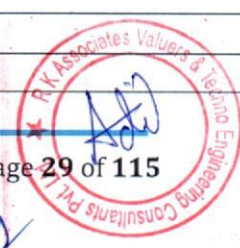




6.	Location of the property		
	6.1 Plot No. / Survey No.	Pl. refer the Letter of awards.	
	6.2 Door No.	Pl. refer the Letter of awards.	
	6.3 T. S. No. / Village	Pl. refer the Letter of awards.	
	6.4 Ward / Taluka	Pl. refer the Letter of awards.	
	6.5 Mandal / District	East Godavari	
	6.6 Postal address of the property	M/S Nagarjuna Fertilizers and Chemicals Limited (NFCL), Nagarjuna Road, Kakinada, East Godavari District, Andhra Pradesh	
	6.7 Latitude, Longitude & Coordinates of the site	16°58'43.4"N, 82°15'56.9"E	
6.8 Nearby Landmark	Project is Itself a Landmark		
7.	City Categorization	Scale-B City	Urban developing
	Type of Area	No proper zoning regulations imposed. Nearby properties are of mixed use.	
8.	Classification of the area	Middle Class (Ordinary)	Urban developing
		Within main city	
9.	Local Government Body Category (Corporation limit / Village Panchayat / Municipality) - Type & Name	Urban	Municipal Corporation (Nagar Nigam)
		Kakinada Municipal Corporation	
10.	Whether covered under any prohibited/ restricted/ reserved area/ zone through State / Central Govt. enactments (e.g., Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area/ heritage area/ coastal area	No as per general information available on public domain	NA
		As per general information available in public domain. The project land area is not covered under any prohibited/ restricted/ reserved area/ zone through State / Central Govt. enactments (e.g., Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area/ heritage area/ Coastal Regulation Zone (CRZ)	
11.	In case it is an agricultural land, any conversion of land use done	As per documents it is not an Agriculture land	
12.	Boundary schedule of the Property		
	Are Boundaries matched	No, boundaries are not mentioned in the documents.	
	Directions	As per Documents	Actually, found at Site
	North	-	Coromandel International
	South	-	Railway Line
	East	-	Kakinada Port
	West	-	Kakinada city
13.	Dimensions of the site		
	Directions	As per Documents (A)	Actually found at Site (B)
	North	Not available in documents.	Shape uneven, not measurable from sides.
	South	Not available in documents.	Shape uneven, not measurable from sides.
	East	Not available in documents.	Shape uneven, not measurable



--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--





	more than	
14.	Is it a land – locked land?	No
15.	Water potentiality	Yes available in the locality from municipal connection
16.	Underground sewerage system	Yes
17.	Is power supply available at the site?	Yes
18.	Advantages of the site	The Project is Near to Kakinada Port.
19.	Special remarks, if any, like:	
	a. Notification of land acquisition if any in the area	No such information came in front of us and could be found on public domain
	b. Notification of road widening if any in the area	No such information came in front of us and could be found on public domain
	c. Applicability of CRZ provisions etc. (Distance from sea-coast / tidal level must be incorporated)	No
	d. Any other	1. Based on Information provided by the company, the total land area awarded to NFCL ad-measures 1040 acre. However, as per details of land provided by the company the actual land area currently available with NFCL admeasures 960.080 Acre only. 960.080 Acre of land includes 177 Acre of land as Core/Main plant area and 783.080 Acre of Mandatory Green area that has to be maintained by NFCL at its own cost. However as per Consent for operation the company has to maintain 789 Acres as greenbelt as a compliance to Consent for operations. 2. The subject property is located adjacent to Kakinada Port and about 11 Km from Point E1 of Eco sensitive zone of Coringa Wildlife Sanctuary. Point E1 is the nearest boundary line point of Eco Sensitive Zone of Coringa Wildlife Sanctuary.

<b>III.</b>	<b>VALUATION OF LAND</b>	
	Size of plot	Approximately 960 Acres
	North & South	
	East & West	
	Total extent of the plot	
	Prevailing market rate (Along with details/reference of at least two latest deals/ transactions with respect to adjacent properties in the areas)	Please refer to Part E - Procedure of Valuation Assessment section.
	Guideline rate obtained from the Registrar's Office (evidence thereof to be enclosed)	
	Assessed / adopted rate of valuation	



	Estimated Value of Land		
IV.	VALUATION OF BUILDING		
1.	Technical details of the building		
a.	Type of Building (Residential / Commercial/ Industrial)	RESIDENTIAL / RESIDENTIAL APARTMENT IN MULTISTORIED BUILDING	
b.	Type of construction (Load bearing / RCC/ Steel Framed)	Structure RCC Framed structure	Slab Reinforced Cement Concrete
c.	Architecture design & finishing	Interior	Exterior
		Ordinary regular architecture / Simple/ Average finishing	Ordinary regular architecture / Simple/ Average finishing
d.	Class of construction	Class of construction: Class C construction (Simple/ Average)	
e.	Year of construction/ Age of construction	1992 and 1998	24 to 30 Years
f.	Number of floors and height of each floor including basement, if any	Pl. refer to the attached detailed building sheet	
g.	Plinth area floor-wise	Pl. refer to the attached detailed building sheet	
h.	Condition of the building	Interior	Exterior
		Poor	Poor
i.	Maintenance issues	Yes there are some maintenance issues in the building structure which needs to be rectified	
j.	Visible damage in the building if any	No more safe to use	
k.	Type of flooring	Vitrified tiles, Vinyl Flooring and Simple marble	
a.	Class of electrical fittings	Mixed (Internal & External)/ Normal quality fittings used	
b.	Class of plumbing, sanitary & water supply fittings	Mixed (Internal & External)/ Normal quality fittings used	
2.	Map approval details		
a.	Status of Building Plans/ Maps and Date of issue and validity of layout of approved map / plan	Cannot comment since no approved map provided to us on our request/	
b.	Approved map / plan issuing authority	Sanctioned Building Plan not provided by the company.	
c.	Whether genuineness or authenticity of approved map / plan is verified	No, not done at our end.	
d.	Any other comments on authenticity of approved plan	Verification of authenticity of documents with the respective authority can be done by a legal/ liasoning person and same is not done at our end.	
e.	Is Building as per copy of approved Map provided to Valuer?	Cannot comment since no approved map provided to us on our request.	



	f. Details of alterations/ deviations/ illegal construction/ encroachment noticed in the structure from the approved plan	<input type="checkbox"/> Permissible alterations	NA
		<input type="checkbox"/> Non permissible alterations	NA
	g. Is this being regularized		
V.	SPECIFICATIONS OF CONSTRUCTION (FLOOR-WISE) IN RESPECT OF		
1.	Foundation	This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component or item wise analysis. These points are covered in totality in lumpsum basis under technical details of the building under "Class of construction, architecture design & finishing" point.	
2.	Basement		
3.	Superstructure		
4.	Joinery / Doors & Windows (please furnish details about size of frames, shutters, glazing, fitting etc. and specify the species of timber)		
5.	RCC works		
6.	Plastering		
7.	Flooring, Skirting, dadoing		
8.	Special finish as marble, granite, wooden paneling, grills, etc		
9.	Roofing including weather proof course		
10.	Drainage		
11.	Compound wall	Yes	
	Height	2.5 METER	
	Length	6,800 R. Mtr.	
	Type of construction	Precast RCC Wall	
12.	Electrical installation	Please refer to "Class of electrical fittings" under technical details of the building above in totality and lumpsum basis. This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component or item wise analysis.	
	Type of wiring		
	Class of fittings (superior / ordinary / poor)		
	Number of light points		
	Fan points		
	Spare plug points		
	Any other item		
13.	Plumbing installation	Please refer to "Class of plumbing, sanitary & water supply fittings" under technical details of the building above in totality and lumpsum basis. This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component or item wise analysis.	
	No. of water closets and their type		
	No. of wash basins		
	No. of urinals		
	No. of bath tubs		
	No. of water closets and their type		
	Water meter, taps, etc.		
	Any other fixtures		

*[Handwritten Signature]*

*[Red Circular Stamp: R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.]*

*[Handwritten Mark]*



**\*NOTE:**

1. For more details, & basis please refer to **Part G and Part I - Procedure of Valuation Assessment section.**
2. This valuation is conducted based on the comparable composite market rate method which is inherently inclusive of the additional items as mentioned in S.No. 2 to 8 if present in the flat at ordinary level. For any exclusive and superfine finish over and above ordinary finishing, additional value is taken in lumpsum as described in the **Procedure of Valuation Assessment section under "Valuation of Additional Aesthetic & Decor Works in the Property".**
3. Estimated Value is subject to the assumptions, limitations, basis of computation, caveats, information, facts came during valuation within the limited available time & cost.
4. **PART A - IDBI format on opinion report on Valuation** is just the description of the asset as per the format requirement of the client. The real procedure of Valuation is discussed from **Part G and Part I - Procedure of Valuation Assessment section** where all different aspect of Valuation as per the standards are described in detail.
5. This Valuation is guided by Valuation Terms of Service and Valuer's Important Remarks which can also be found at [www.rkassociates.org](http://www.rkassociates.org).





**PART E**

**AREA & SPECIFICATION DESCRIPTION OF THE PROJECT  
TANGIBLE ASSET**

1. **LAND AREA:** As per the information provided by the company, the total land area awarded to NFCL ad-measures 1,040 acre. However, as per the Memorandum of Entry dated 01<sup>st</sup> April 2017, total extent of the land is 960.08 acres only. It includes 177 Acre of land as 'main plant area' and 783.08 acres of 'mandatory green area' that has to be maintained by NFCL at its own cost. However, as per consent for operation, the company has to maintain 789 Acres as greenbelt as a compliance to Consent for operations (70% of the total land). As per Google measurement the area admeasures approx. 960 acres which is in-line with the documents provided and has been considered for the purpose of valuation.

Detailed description of land Awarded to NFCL by the government area as below:

**SUMMARY OF KAKINADA LAND AREA AS PER MEMORANDUM OF ENTRY**

Village	Award date	Area (Acres)
Suryaraopeta	08-10-1977	522.55
Suryaraopeta	07-04-1980	6.88
Vakalapudi	29-04-1978	317.14
Released Area in Suryaraopeta	-	129.58
Released area in Vakalapudi	-	309.64
<b>Sub total (Part A)</b>		<b>407.35</b>
Suryaraopeta	15-02-1987	134.47
Suryaraopeta	18-02-1987	27.55
Suryaraopeta	23-04-1987	3.07
Suryaraopeta	04-05-1987	170.20
Suryaraopeta	08-05-1987	51.86
Suryaraopeta	11-05-1987	18.00
Suryaraopeta	04-11-1987	52.66
Suryaraopeta	04-11-1987	8.00
Suryaraopeta	02-04-1988	3.00
Suryaraopeta	10-05-1988	20.36
Suryaraopeta	10-05-1988	2.00
Suryaraopeta	01-07-1988	5.00
<b>Sub Total (Part B)</b>		<b>496.17</b>
Suryaraopeta	-	5.00
Suryaraopeta	19-10-1988	10.51
Suryaraopeta	01-09-1992	6.11
Suryaraopeta	24-12-1992	34.94
<b>Sub Total (Additional Immovable Properties)</b>		<b>56.56</b>
<b>Grand Total</b>		<b>960.08</b>



**Note:**

1. Area measurements considered in the Valuation Report pertaining to Land & Building is adopted from relevant approved documents provided by the company. All area measurements are on approximate basis only.
2. Area of the large land parcels of more than 2500 sq.mtr or of uneven shape, is taken as per property documents verified with digital survey through google which has been relied upon.
3. Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.

**2. BUILDING & STRUCTURE AREA:**

Details of Building Structures in the project:

Sr. No.	Description	Area (Sq. mt.)
1	Tech Building and Lab Building	4,636.00
2	Plant-1 control room	1,293.00
3	Operator cabins	175.00
4	Substation 2	1,618.00
5	Substation 3	1,618.00
6	Plant-2 control room	1,543.00
7	Ammonia substation	1,644.00
8	Urea substation	1,644.00
9	Steam and power generation plant Including Substation 1	3,940.00
10	GT-C & Substation-21	1,820.00
11	Urea silo	10,525.00
12	Bagging Plant including loco shed	32,631.00
13	Platform at Bagging Plant Area Shed 1	5,400.30
14	Platform at Bagging Plant Area Shed 2	2,349.00
15	AMF2	246.00
16	DM Plant	4,134.00
17	DM MCC	96.00
18	Cooling tower Control room and MCC	280.00
19	Clarifier water lift cum fire water pump house	764.00
20	Sludge sump and pump house	210.00
21	Filter water pump house	762.00

**CASE NO.: VIS(2022-23)-PL112-096-151**

Page 35 of 115



Sr. No.	Description	Area (Sq. mt.)
22	ETP	572.00
23	IG PLANT	1,467.00
24	MRSS	2,523.00
25	SS4	1,524.00
26	SS5	1,226.00
27	Chemical house WTP	1,890.00
28	Canteen bldg.	1,113.00
29	Devi canteen	180.00
30	H- Building	1,648.00
31	Project office (Snam building)	1,026.00
32	Fire & Safety building and fire tender garage	528.00
33	Dispensary and first aid centre	420.00
34	Workshop	2,752.00
35	Main store	3,342.00
36	Gate house	432.00
37	Weigh bridge	33.00
38	Yard toilet (near WS,MRSS,IGP,SP house and bagging)	442.00
39	Akshara school	8,009.00
40	Club house	2,360.00
41	Compound Wall	16,320.00
42	CT makeup pump house	65.00
43	Sub Stn. 6	640.00
44	Director transit house	264.00
45	CF non plant Bldgs.-MCC, Admin &Toilet.	320.00
<b>Grand Total</b>		<b>1,26,424.30</b>

Plant 1 was commissioned in 1992 and Plant 2 was commissioned in 1998. As on date some structures in the project were observed to be in a poor condition.



**PART F**

**PROJECT STATUTORY APPROVAL & NOCS DETAILS**

S. No.	REQUIRED APPROVALS	REFERENCE NO./ DATE	STATUS (Approved/ Applied For/ Pending)
1.	Fire NOC	---	Not Provided
2.	Consent for Operation	---	The company has applied for consent for operations vide application ID PRN2101298.
3.	PESO Approval	---	Not Provided
4.	License for running the factory	---	Not Provided
5.	Environment Clearance	---	Not provided
6.	Building Plan	---	Not provided



**PART G**

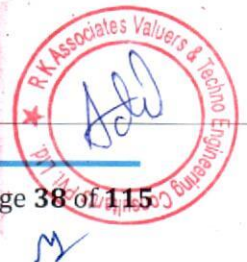
**PROCEDURE OF VALUATION ASSESSMENT - LAND & BUILDING  
AND AESTHETIC WORKS**

1.	GENERAL INFORMATION			
i.	Important Dates	Date of Inspection of the Property	Date of Valuation Assessment	Date of Valuation Report
		27 May 2022	3 June 2022	3 June 2022
ii.	Client	Industrial Development Bank of India (IDBI)		
iii.	Intended User	Industrial Development Bank of India (IDBI)		
iv.	Intended Use	To know the general idea on the market valuation trend of the property as per free market transaction. This report is not intended to cover any other internal mechanism, criteria, considerations of any organization as per their own need, use & purpose.		
v.	Purpose of Valuation	For Distress Sale of mortgaged assets under NPA a/c		
vi.	Scope of the Assessment	Non binding opinion on the assessment of Plain Physical Asset Valuation of the property identified to us by the owner or through his representative.		
vii.	Restrictions	This report should not be referred for any other purpose, by any other user and for any other date other than as specified above.		
viii.	Manner in which the proper is identified	<input checked="" type="checkbox"/> Done from the name plate displayed on the property <input type="checkbox"/> Identified by the owner <input checked="" type="checkbox"/> Identified by the owner's representative <input type="checkbox"/> Enquired from local residents/ public <input type="checkbox"/> Cross checked from the boundaries/ address of the property mentioned in the documents provided to us <input type="checkbox"/> Identification of the property could not be done properly <input type="checkbox"/> Survey was not done		
ix.	Type of Survey conducted	Full survey (inside-out with approximate measurements & photographs).		

2.	ASSESSMENT FACTORS			
i.	Nature of the Valuation	Fixed Assets Valuation		
ii.	Nature/ Category/ Type/ Classification of Asset under Valuation	Nature	Category	Type
		LAND & BUILDING, PLANT & MACHINERY & OTHER MISCELLANEOUS FIXED ASSET	INDUSTRIAL	INDUSTRIAL PLANT & MACHINERY

CASE NO.: VIS(2022-23)-PL112-096-151

Page 38 of 115





		Classification		Income/ Revenue Generating Asset	
iii.	Type of Valuation (Basis of Valuation as per IVS)	Primary Basis	Market Value & Govt. Guideline Value		
		Secondary Basis	Not Applicable		
iv.	Present market state of the Asset assumed (Premise of Value as per IVS)	Under Normal Marketable State			
		Reason: Asset under free market transaction state			
v.	Property Use factor	Current/ Existing Use	Highest & Best Use <i>(in consonance to surrounding use, zoning and statutory norms)</i>	Considered for Valuation purpose	
		Industrial	Industrial	Industrial	
vi.	Legality Aspect Factor	Assumed to be fine as per copy of the documents & information produced to us.  However Legal aspects of the property of any nature are out-of-scope of the Valuation Services. In terms of the legality, we have only gone by the documents provided to us in good faith.  Verification of authenticity of documents from originals or cross checking from any Govt. deptt. have to be taken care by Legal expert/ Advocate.			
vii.	Class/ Category of the locality	Upper Middle Class (Good)			
viii.	Property Physical Factors	Shape	Size	Layout	
		Irregular	Very Large	Normal Layout -	
ix.	Property Location Category Factor	City Categorization	Locality Characteristics	Property location characteristics	Floor Level
		Scale-B City	Very Good	Near to Highway	NA. since this is an industrial unit
		Urban developing	Normal	Good location within locality	
			Within urban developing zone	Near to Sea Port	
		Property Facing			
		West Facing			
x.	Physical Infrastructure availability factors of the locality	Water Supply	Sewerage/ sanitation system	Electricity	Road and Public Transport connectivity



		Yes	Underground	Yes	Not available within 500 mtr. radius
		Availability of other public utilities nearby		Availability of communication facilities	
		Transport, Market, Hospital etc. are not available in close vicinity		Major Telecommunication Service Provider & ISP connections are available	
xi.	Social structure of the area (in terms of population, social stratification, regional origin, age groups, economic levels, location of slums/ squatter settlements nearby, etc.)	Industrial area			
xii.	Neighbourhood amenities	Good			
xiii.	Any New Development in surrounding area	Proposed Highway	Sagarmala Project road connecting lighthouse at Suryaraopet to the national highway at Annavaram.		
xiv.	Any specific advantage/ drawback in the property	Project is very near to the Sea Port			
xv.	Property overall usability/ utility Factor	Very good but limited to specific purpose.			
xvi.	Do property has any alternate use?	No. As per the company's agreement with the government the property can only be used for construction by NFCL and manufacturing of fertilizers.			
xvii.	Is property clearly demarcated by permanent/ temporary boundary on site	Not clearly demarcated since there are many land parcels and some of them are densely coevered with greenbelt.			
xviii.	Is the property merged or colluded with any other property	No			
		Comments: Due to thick green cover around Kakinada plant it was not physically possible to verify the boundary wall. However as per our discussion with the company the project is majorly bounded.			
xix.	Is independent access available to the property	Clear independent access is available			
xx.	Is property clearly possessable upon sale	May require Govt. approval since the land is allotted through land acquisition by the state Govt. for the establishment of the Plant.			



xxi.	Best Sale procedure to realize maximum Value (in respect to Present market state or premise of the Asset as per point (iv) above)	Fair Market Value															
		Through Swiss challenge mechanism															
xxii.	Hypothetical Sale transaction method assumed for the computation of valuation	Fair Market Value															
		Through Swiss challenge mechanism															
xxiii.	Approach & Method of Valuation Used	<b>FERTILIZER MANUFACTURING FACILITY</b>															
		Approach of Valuation	Method of Valuation														
		Mixture of Market & Cost Approach	Market Comparable Sales Method & Depreciated Replacement Cost Method														
xxiv.	Type of Source of Information	Level 3 Input (Tertiary)															
xxv.	<b>Market Comparable</b>																
	References on prevailing market Rate/ Price trend of the property and Details of the sources from where the information is gathered (from property search sites & local information)	a.	<table border="1"> <tr><td>Name:</td><td>--</td></tr> <tr><td>Contact No.:</td><td>--</td></tr> <tr><td>Nature of reference:</td><td>--</td></tr> <tr><td>Size of the Property:</td><td>--</td></tr> <tr><td>Location:</td><td>--</td></tr> <tr><td>Rates/ Price informed:</td><td>--</td></tr> <tr><td>Any other details/ Discussion held:</td><td>--</td></tr> </table>	Name:	--	Contact No.:	--	Nature of reference:	--	Size of the Property:	--	Location:	--	Rates/ Price informed:	--	Any other details/ Discussion held:	--
Name:	--																
Contact No.:	--																
Nature of reference:	--																
Size of the Property:	--																
Location:	--																
Rates/ Price informed:	--																
Any other details/ Discussion held:	--																
		a.	<table border="1"> <tr><td>Name:</td><td>--</td></tr> <tr><td>Contact No.:</td><td>--</td></tr> <tr><td>Nature of reference:</td><td>--</td></tr> <tr><td>Size of the Property:</td><td>--</td></tr> <tr><td>Location:</td><td>--</td></tr> <tr><td>Rates/ Price informed:</td><td>--</td></tr> <tr><td>Any other details/ Discussion</td><td>--</td></tr> </table>	Name:	--	Contact No.:	--	Nature of reference:	--	Size of the Property:	--	Location:	--	Rates/ Price informed:	--	Any other details/ Discussion	--
Name:	--																
Contact No.:	--																
Nature of reference:	--																
Size of the Property:	--																
Location:	--																
Rates/ Price informed:	--																
Any other details/ Discussion	--																



			held:	
		a.	Name:	--
			Contact No.:	--
			Nature of reference:	--
			Size of the Property:	--
			Location:	--
			Rates/ Price informed:	--
			Any other details/ Discussion held:	--

*NOTE: Please refer below justification and attached references.*

xxvi.	<b>Adopted Rates Justification</b>	
	<ol style="list-style-type: none"> <li>During micro market research, we have analyzed the land rates in and around the Kakinada area within 25 Km radius and have found high variation in the land rates based on location. The land rates are ranging from Rs.0.50 crores per acre to Rs.4.50 crores per acre.</li> <li>As per registration and stamps department, Government of Andhra Pradesh the current prevailing circle rates in Village Suryaraopeta is Rs.4,84,00,000/- per acre and Rs.6,05,00,000/-per acre in village Vakalapudi.</li> <li>We have verbally enquired from APIIC Zonal Managers Kakinada Industrial Estate (K Lakshmi Andamma – 9553694445/ K.P Sudhakar 98489 33876) who informed that the present base Land Allotment rate in Vakalapudi industrial area is Rs.8,795/- per sq. mtr. (Rs. 10,554 per Sq. yd.) which can also be confirmed through the attached link <a href="https://kpi.apiic.in:8443/KPI/apiicfi/VacantPlots.jsp?param=vacz1&amp;usrzn=ALL&amp;zn=KAKINADA">https://kpi.apiic.in:8443/KPI/apiicfi/VacantPlots.jsp?param=vacz1&amp;usrzn=ALL&amp;zn=KAKINADA</a>. However, land will be allotted based on e-Auction procedure only and the final rates may vary in the best bid price during the auction. Further, if there is a large/bulk land parcel requirement then it has to be evaluated separately in discussion with District and Government authorities as a special category and rate is fixed accordingly to such special purpose Industries where large land requirement exists. In a recent instance some of the Industrial lands has been allotted by Andhra Pradesh Govt. in 60% discount against the allotment rates.</li> <li>As per micro market research in public domain for the land acquisition carried out recently in and around Kakinada, we have got some news article which suggests that the compensation has been paid around Rs.0.30 crore per acre whereas farmers are claiming for their lands worth Rs.3.00 crores per acre. Please refer news article <a href="https://www.thehansindia.com/andhra-pradesh/kakinada-farmers-reluctant-to-part-with-lands-for-pittance-704845?infiniteScroll=1">https://www.thehansindia.com/andhra-pradesh/kakinada-farmers-reluctant-to-part-with-lands-for-pittance-704845?infiniteScroll=1</a></li> <li>The subject land has been awarded to NFCL under the Land Acquisition Act 1984 which is now superseded by The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. According to the agreement between NFCL and the Government of Andhra</li> </ol>	

**CASE NO.: VIS(2022-23)-PL112-096-151**

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

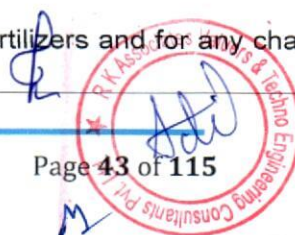
Page 42 of 115





Pradesh under Section 41 of the Land Acquisition Act, 1894, following are the restrictions imposed over the said land parcels:

- a. **Clause 99:** "No change from the purpose or related purposes for which the land is originally sought to be acquired shall be allowed. Provided that if the land acquired is rendered unusable for the purpose for which it was acquired due to a fundamental change because of any unforeseen circumstances, then the appropriate government may use such land for any other public purpose"
  - b. **Clause 100** "No change of ownership without specific permission from the appropriate Government shall be allowed."
6. Since, the present valuation is done for the bank (Financial creditors), where the Plant is a secured asset and therefore the Bank has every right to recover its dues by either transferring the ownership of the company through SDR or selling its assets using available instruments in law such as IBC/ SARFAESI/ etc. Therefore, the recovery of the dues of the financial creditors will take precedence over any other law in force.
  7. As per APIIC INDUSTRIAL PARKS ALLOTMENT REGULATIONS 2020 ([https://www.apiic.in/wp-content/uploads/2021/07/New-Allotment-Regulations-2020\\_compressed-1.pdf](https://www.apiic.in/wp-content/uploads/2021/07/New-Allotment-Regulations-2020_compressed-1.pdf)), the final Allotment Price will be arrived at by addition of Land cost, infrastructure development cost and Administration/financing costs with frontage charges. However, for anchor Industries with investment of 100 crores and 250 crores above discount of 33% and 20% is given respectively on land allotment.
  8. Now, since we are doing the valuation of an Industrial Plant, therefore, in the open market the prospective interested buyer will always evaluate the price of the land in the similar area appropriate for setting up such a Plant. If the similar area of land is not available in the subject location, then it will evaluate the other similar appropriate location.
  9. In this area NFCL and Coromandel Plant have been set up a few decades back and since then in and around this area a lot of habitation and development has come. At this point of time not much vacant land is available within 4-5 Kms radius.
  10. Similar kind of land parcel of such a huge extent is not available in Kakinada. Therefore, this valuation is based on the land rates available in nearby areas which has been discounted considering the restrictions imposed by the Government on sale and usage of these land parcels.
  11. The main Plant land comprises 19% of the total Plant land and 81% is in green belt area. Therefore, the market price has accordingly been distributed.
  12. As per norms 33% green belt has to be created. However, in this case 70% Green Belt has to be created since the project is near to the Kakinada Town.
  13. Therefore, in terms of that, 70% area of project land is exceptional in this case and in open market from general market trend will fetch less value due to its zero utility and contribution in the operation of the Plant.
  14. The subject Plant land has a restrictive usage only for manufacturing of fertilizers and for any change in purpose prior permission from the Govt. will be required.





15. The location of the land is good, amidst Port and the developed town area which is of high value if it can have free usage. For the Plant purpose also, the location is good with ample available water. However, on the other hand, groundwater and surface water pollution are threat for the land beneath it if proper discharge and effluent treatment techniques are not adhered.
16. The subject land is a huge contiguous land parcel and acquiring such a large land parcel in present scenario is also a very time consuming, expensive and risky affair and therefore definitely it holds a time value for it.
17. Currently, if a potential bidder wants to acquire a similar piece of land, they can only do so through the land acquisition process, which requires the government to buy the land from the farmers in exchange for fair compensation based on current market rates, as well as additional payments for settlement, rehabilitation, and resettlement, if necessary.
18. **The subject plant site is valued overall based on what it would cost a new promoter or buyer to build a plant of a similar size and location in the present, at the time of the valuation, in that area. Additionally, since the transaction for this land will be based solely on the established Project and its separation from it will be virtually impossible, at least while the Plant is being operated as an ongoing business, the subject land's use as a fertilizer plant land is considered to be its highest and best use.**
19. The present market rates in this area are high due to fertile land, rampant development due to port and existence of NFCL and Coromandel International Limited since last more than 3 decades.
20. **However, our prime basis and approach for this valuation is that we are considering this land to be associated for a specific land for Fertilizer Plant and for no other purpose and therefore, have to evolve to a value which is reasonable, just & fair in terms of the overall plant and for Industrial use.**
21. It is an operational plant and under stress, we must take all of these considerations into account in order to establish a just and fair value for the land that is reasonable and marketable alongside the plant on the open market.
22. Therefore, considering all these factors, the market range, circle rate, land allotment rate and considering the very large size of the land, its restricted usage to only this plant we are of the opinion:
  - a. **For main Plant Land admeasuring 177 acres** - To adopt allotment rates of APIIC Kakinada which is Rs.8,795/- per sq.mtr as the base rate for calculation and taking 60% discount on this base allotment rates for its large land and special purpose land for which we have the references available and further discounting 25% for the land being not within notified Industrial area and having restricted usage. This works out to be Rs.1,06,78,000/- per acre. The above rates also falls in line with the current market rates we got to know in nearby comparable for such kind of land.

*[Handwritten signature]*

*[Circular stamp: R.K. Associates Valuers & Techno Engineering Consultants (P) Ltd. with handwritten signature]*



Sr. No.	Particular	Figure	Units
1	APIIC Kakinada Allotment Rate	8,795	Rs. per sqm
2	Discount bases large and special purpose land	60%	on Sr. No. 1
3	Arrived Rate	3,518	Rs. per sqm
4	Discount bases not within notified Industrial area and having restricted usage	25%	on Sr. No. 3
5	Final Rate Adopted	2,639	Rs. per sqm
		1,06,78,010	Rs. per acre

- b. **For Green Belt Land admeasuring 783 acres** – To adopt Rs.15 Lacs per acre for green belt area for the minimum land price we have got in that area from the available references and also evaluating the minimum land prices which any such land could fetch in the remote area through Land acquisition policy for establishing such a Plant. This is done keeping in mind the zero utility of this land as such in the Plant operations and therefore the prospective buyer may not like to give any value or at least not more than the minimum price of land if he would have to procure the similar land where it is cost effective.

23. It is to be noted here that the land value may defer if it is valued in isolation and not along with the current use of the Fertilizer Plant Land.

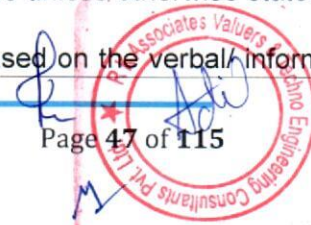
xxvii.	<b>Other Market Factors</b>		
	Current condition	Market	Growing
			<b>Remarks:</b> The Project manufactures Urea and one of the key component in agriculture and India being a agro based economy so this is a highly used commodity in the agriculture sector. However this is a Govt. controlled sector and prices are regulated and subsidies are given by the Govt. which remains delayed to the manufacturer. Therefore there is a mixed attraction towards this sector. Accordingly adjustments are made in realizable value.
			<b>Adjustments (-/+):</b> 0%
	Comment on Property Salability Outlook		Since the property is mortgaged under NPA account therefore less buyers will be interested and may not fetch its full value. Adjustments have already been made in the valuation and reasons for the same is already described above.
	Comment on Demand & Supply in the Market	<b>Demand</b>	
		<b>Supply</b>	
		Moderate	
		Low	
		<b>Remarks:</b> Demand is related to the current use of the property only and only limited to the selected type of buyers.	
		<b>Adjustments (-/+):</b> 0%	
xxviii.	Any other special	<b>Remarks:</b> Discussed in the above section of the report.	



	consideration	Adjustments (-/+): 0%
xxix.	Any other aspect which has relevance on the value or marketability of the property	<p>Special industrial asset for a specific purpose.</p> <ol style="list-style-type: none"> <li>1. Plant is strategically located adjacent to Kakinada port and with easy availability of raw material.</li> <li>2. However being near to eco sensitive zone of Coringa Wild Life sanctuary it has several environmental related statutory restrictions.</li> <li>3. The subject plant is only permitted to be used for manufacturing fertilizers, and any other use would require prior approval from the government.</li> <li>4. The location of the land in general is very good, amidst Port and the developed town area which is of high value if it can have free usage. For the Plant purpose also, the location is good with ample available water. However, on the other hand, groundwater and surface water pollution are threat for the land beneath it if proper discharge and effluent treatment techniques are not adhered.</li> <li>5. The subject Plant is of urea manufacturing which is highly regulated and prices subsidies are given by the Govt. which remains delayed to the manufacturer. Therefore there is a mixed attraction towards this sector. However companies in this sector is in profit and there have been transactions and M&amp;A previously in this sector.</li> <li>6. The subject land is a huge contiguous land parcel and acquiring such a large land parcel in present scenario is also a very time consuming, expensive and risky affair and therefore definitely it holds a time value for it.</li> </ol> <p>Valuation of the same asset/ property can fetch different values under different circumstances &amp; situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will fetch considerably lower value. Similarly, an asset sold directly by an owner in the open market through free market arm's length transaction then it will fetch better value and if the same asset/ property is sold by any financier or court decree or Govt. enforcement agency due to any kind of encumbrance on it then it will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing.</p> <p>This Valuation report is prepared based on the facts of the property &amp; market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time &amp; socio-economic conditions prevailing in the region/ country. In future property market may go down, property conditions may change or may go worse, property reputation may differ, property vicinity conditions may go down or become worse, property market may change due to impact of Govt. policies or effect of domestic/ world economy, usability prospects of the property may change, etc.</p>



		Hence before financing, Banker/ FI should take into consideration all such future risk while financing.
		<b>Adjustments (-/+): 0%.</b>
		*Adjustment is already considered while evaluation of final rates of land and methodology is described in Part G, Clause 2 of this report.
xxx.	<b>Final adjusted &amp; weighted Rates considered for the subject property</b>	<b>Rs.1,06,78,000/- per acre for area under Main plant area and Rs.15,00,000/- per acre for greenbelt area that has to be maintained by the company as per previous consent for operations.</b>
xxxi.	<b>Considered Rates Justification</b>	The rates have been thoroughly assessed considering all the factors directly related to the project characteristics only. Pl. refer below Serial number for further details.
xxxii.	<b>Basis of computation &amp; working</b>	<ol style="list-style-type: none"> <li>1. Out of the total Land area 960.08 acres, Main Plant Land admeasuring 177 acres is valued considering composite rates Rs.1,06,78,000/-per acre and green belt land admeasuring 783 acres is valued considering rates Rs.15,00,000/- per acre.</li> <li>2. For main plant land rates calculation has been done as below:  Base rate considered is Rs.8,795/- per sq.mtr as per the allotment rates of APIIC Kakinada. Further 60% discount has been considered on this base allotment rates for its large land and special purpose land for which we have the references available. Further discounting of 25% discount has been considered for the land being not within notified Industrial area and having restricted usage. This works out to be Rs.1,06,78,000/- per acre. The above rates also falls in line with the current market rates we got to know in nearby comparable for such kind of land.</li> <li>3. Building &amp; Civil works is computed based on plinth area rates. Area measurement of the buildings has been considered based on the area details sheet provided by the company.</li> <li>4. Valuation of the asset is done as found on as-is-where basis on the site as identified to us by client/ owner/ owner representative during site inspection by our engineer/s unless otherwise mentioned in the report.</li> <li>5. Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.</li> <li>6. For knowing comparable market rates, significant discreet local enquiries have been made from our side based on the hypothetical/ virtual representation of ourselves as both buyer and seller for the similar type of properties in the subject location and thereafter based on this information and various factors of the property, rate has been judiciously taken considering the factors of the subject property, market scenario and weighted adjusted comparison with the comparable properties unless otherwise stated.</li> <li>7. References regarding the prevailing market rates and comparable are based on the verbal/ informal/</li> </ol>





- secondary/ tertiary information which are collected by our team from the local people/ property consultants/ recent deals/ demand-supply/ internet postings are relied upon as may be available or can be fetched within the limited time & resources of the assignment during market survey in the subject location. No written record is generally available for such market information and analysis has to be derived mostly based on the verbal information which has to be relied upon.
8. Market Rates are rationally adopted based on the facts of the property which came to our knowledge during the course of the assessment considering many factors like nature of the property, size, location, approach, market situation and trends and comparative analysis with the similar assets. During comparative analysis, valuation metrics is prepared and necessary adjustments are made on the subject asset.
  9. The indicative value has been suggested based on the prevailing market rates that came to our knowledge during secondary & tertiary market research and is not split into formal & informal payment arrangements. Most of the deals takes place which includes both formal & informal payment components. Deals which takes place in complete formal payment component may realize relatively less actual transaction value due to inherent added tax, stamp registration liabilities on the buyer.
  10. Secondary/ Tertiary costs related to asset transaction like Stamp Duty, Registration charges, Brokerage, Commission, Bank interest, Selling cost, Marketing cost, etc. pertaining to the sale/ purchase of this property are not considered while assessing the indicative estimated Market Value.
  11. This report includes both, Govt. Guideline Value and Indicative Estimated Prospective Market Value as described above. As per the current market practice, in most of the cases, formal transaction takes place for an amount less than the actual transaction amount and rest of the payment is normally done informally.
  12. Area measurements considered in the Valuation Report pertaining to asset/ property is adopted from relevant approved documents or sample site measurement whichever is less unless otherwise mentioned. All area measurements are on approximate basis only.
  13. Verification of the area measurement of the property is done based on sample random checking only.
  14. Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated.
  15. Drawing, Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.
  16. Construction rates are adopted based on the present market replacement cost of construction and calculating applicable depreciation & deterioration factor as per its age, existing condition & specifications based on visual observation only of the structure. No structural, physical tests have been carried out in respect of it. No responsibility is assumed for latent defects of any nature whatsoever, which may affect value, or for any expertise required to disclose such conditions.
  17. Construction rates are adopted based on the plinth area rates prevailing in the market for the structure





as a whole and not based on item wise estimation or Bills of Quantity method unless otherwise stated.

18. The condition assessment and the estimation of the residual economic life of the structure are only based on the visual observations and appearance found during the site survey. We have not carried out any structural design or stability study; nor carried out any physical tests to assess structural integrity & strength.
19. Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset or on its owners has not been factored in the Valuation.
20. This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component or item wise analysis. Analysis done is a general assessment and is neither investigative in nature nor an audit activity.
21. Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown to us on site of which some reference has been taken from the information/ data given in the copy of documents provided to us which have been relied upon in good faith and we have assumed that it to be true and correct.

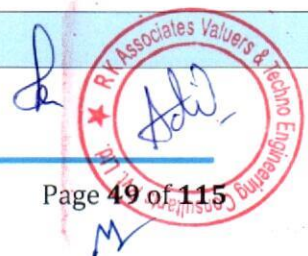
**xxxiii. ASSUMPTIONS**

- a. Documents/ Information/ Data provided by the client/ property owner or his representative both written & verbally is true and correct without any fabrication and has been relied upon in good faith.
- b. Local verbal enquiries during micro market research came to our knowledge are assumed to be taken on record as true & factual.
- c. The assets and interests therein have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject assets or their ownership are assumed to exist. No opinion of title is rendered in this report and a good title is assumed unless stated otherwise.
- d. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
- e. Payment condition during transaction in the Valuation has been considered on all cash bases which includes both formal & informal payment components as per market trend.
- f. Sale transaction method of the asset is assumed as Free market transaction without any compulsion unless otherwise mentioned while assessing Indicative & Estimated Fair Prospective Market Value of the asset unless otherwise stated.
- g. If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report. This valuation report is prepared for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township is approved and complied with all relevant laws and the subject unit is also approved within the Group Housing Society/ Township.

**xxxiv. SPECIAL ASSUMPTIONS**

**CASE NO.: VIS(2022-23)-PL112-096-151**

Page 49 of 115





	<ol style="list-style-type: none"> <li>1. Similar kind of land parcel area is not available in Kakinada. Therefore, this valuation is based on Land rates available in nearby areas which has been discounted considering the restrictions imposed by the Government on sale and usage of these land parcels.</li> <li>2. Construction rates are adopted based on the present market replacement cost of construction and calculating applicable depreciation &amp; deterioration factor as per its age, existing condition &amp; specifications based on visual observation only of the structure. No structural, physical tests have been carried out in respect of it. No responsibility is assumed for latent defects of any nature whatsoever, which may affect value, or for any expertise required to disclose such conditions.</li> </ol>
xxxv.	<b>LIMITATIONS</b> <p>The subject Plant land has a restrictive usage only for manufacturing of fertilizers and for any change in purpose prior permission from the Govt. will be required.</p>

3.	VALUATION OF LAND		
	Particulars	Govt. Circle/ Guideline Value	Indicative & Estimated Prospective Fair Market Value
a.	Total Land Area considered (documents vs site survey whichever is less)	960.080 acres	<b>177 Acres</b> (Main Plant Area) + <b>783.08 Acres</b> (Additional Greenbelt area due to proximity to Kakinada Town)  <b>177 + 783.08 = 960.08 acres</b>
b.	Prevailing Rate range	NA	Kindly refer the attached Detailed Valuation sheets and Basis of computation and Working.
c.	Rate adopted considering all characteristics of the property	Rs.4,84,00,000/- per acre	A. <b>Rs.1,06,78,010/-</b> per acres for Main Plant area B. <b>Rs.15,00,000/-</b> per acres for Greenbelt Area due to proximity to Kakinada Town
	<b>Total Value of land (A)</b>	46,46,787 x Rs.4,84,00,000/- per acre	(177.00 acres x Rs.1,06,78,010/- per acre = <b>Rs.189,00,07,682/-</b> 783.08 acres x Rs.15,00,000/- per acre = <b>Rs.117,46,20,000/-</b>
		<b>Rs.46,46,78,72,000/-</b>	<b>Rs.306,46,27,682/-</b>

*[Handwritten signature]*

*[Circular stamp: R.K. Associates Valuers & Technical Engineering Consultants Pvt. Ltd.]*



**Note:**

1. For the purpose of calculation, Guideline Rates have been adopted for Village Suryaraopeta only because out of the total land area mortgaged with the bank admeasuring 960.08 acres approximately 99% of the total mortgage area ad measuring 952.58 acres lies in Village Suryaraopeta only.
2. Non-agriculture or Industrial Guideline rates are not available for the subject villages.
3. Value from circle rates is described only for the purpose of illustration and doesn't have any parity with the market rates for this kind of land.
4. References of circle rates are annexed in the report for reference.
5. For main Plant Land admeasuring 177 acres - To adopt allotment rates of APIIC Kakinada which is Rs.8,795/- per sq.mtr as the base rate for calculation and taking 60% discount on this base allotment rates for its large land and special purpose land for which we have the references available and further discounting 25% for the land being not within notified Industrial area and having restricted usage. This works out to be Rs.1,06,78,000/- per acre. The above rates also falls in line with the current market rates we got to know in nearby comparable for such kind of land.





4.

**VALUATION COMPUTATION OF BUILDING STRUCTURE**

**CIVIL & BUILDING STRUCTURES**

Sr. No.	Description	Area (Sq. Ft.)	Type of Structure	Height (Ft)	Year of Construction	Plinth Rate (per sq.ft.)	Gross Replacement Value (INR)	Depreciated Replacement Market Value
1	Tech Building and Lab Building	49,901	RCC framed structure rested on Pile fdn.	27.88	1992	₹ 1,500	₹ 7,48,52,161	₹ 3,34,02,777
2	Plant-1 control room	13,918	RCC framed structure rested on Pile fdn.	20.01	1992	₹ 1,500	₹ 2,08,76,584	₹ 93,16,176
3	Operator cabins	1,884	RCC framed structure rested isolated footings with RCC roof.	11.48	1992	₹ 1,300	₹ 24,48,787	₹ 10,92,771
4	Substation 2	17,416	RCC framed structure rested on Pile fdn.	29.52	1992	₹ 1,400	₹ 2,43,82,386	₹ 1,02,40,602
5	Substation 3	17,416	RCC framed structure rested on Pile fdn.	29.52	1992	₹ 1,400	₹ 2,43,82,386	₹ 1,02,40,602
6	Plant-2 control room	16,609	RCC framed structure rested isolated footings with RCC roof.	36.41	1998	₹ 1,600	₹ 2,65,73,916	₹ 1,40,04,454
7	Ammonia substation	17,696	RCC framed structure rested on Pile fdn.	29.52	1998	₹ 1,400	₹ 2,47,74,192	₹ 99,83,999
8	Urea substation	17,696	RCC framed structure rested on Pile fdn.	29.52	1998	₹ 1,400	₹ 2,47,74,192	₹ 99,83,999
9	Steam and power generation plant including Sub station 1	42,410	RCC framed structure rested on Pile fdn.	43.62	1992	₹ 1,500	₹ 6,36,14,649	₹ 2,17,08,499
10	GT-C & Substation-21	19,590	RCC framed structure rested on Pile fdn.	53.30	1998	₹ 1,500	₹ 2,93,85,447	₹ 1,45,75,182
11	Urea Storage silo	1,13,290	RCC framed structure rested on Pile fdn with RCC precast truss and with Prestressed tie beams.(Roof covered with RCC precast elements)	75.44	1992	₹ 1,900	₹ 21,52,51,090	₹ 9,04,05,458
12	Bagging Plant including loco shed	3,51,237	RCC framed structure rested on Pile fdn.	116.44	1992	₹ 1,900	₹ 66,73,49,960	₹ 14,01,43,492
13	Platform at Bagging Plant Area Shed 1	58,128	RCC	3.50	1999	₹ 1,300	₹ 7,55,66,776	₹ 2,16,21,544
14	Platform at Bagging Plant Area Shed 2	25,284	RCC	3.50	1999	₹ 1,300	₹ 3,28,69,721	₹ 94,04,849
15	AMF2	2,648	RCC framed structure rested isolated footings with RCC roof.	23.94	1998	₹ 1,500	₹ 39,71,879	₹ 20,93,180
16	DM Plant	44,498	RCC framed structure rested on Pile fdn.	44.28	1992	₹ 1,900	₹ 8,45,46,129	₹ 3,77,28,710
17	DM MCC	1,033	RCC framed structure rested isolated footings with RCC roof.	14.76	1998	₹ 1,300	₹ 13,43,335	₹ 7,07,937
18	Cooling tower Control room and MCC	3,014	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 39,18,060	₹ 10,28,491
19	Clarifier water lift cum fire water pump house	8,224	RCC framed structure rested on Pile fdn.	34.77	1992	₹ 1,600	₹ 1,31,57,791	₹ 58,71,664
20	Sludge sump and pump house	2,260	RCC framed structure rested on Pile fdn.	26.24	1992	₹ 1,400	₹ 31,64,587	₹ 14,12,197
21	Filter water pump house	8,202	RCC framed structure rested on Pile fdn.	34.77	1992	₹ 1,600	₹ 1,31,23,347	₹ 58,56,294
22	ETP	6,157	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 80,04,036	₹ 35,71,801
23	IG PLANT	15,791	RCC framed structure rested on Pile fdn.	31.16	1992	₹ 1,400	₹ 2,21,06,898	₹ 98,65,203
24	MRSS	27,157	RCC framed structure rested on Pile fdn.	55.10	1992	₹ 1,800	₹ 4,88,83,175	₹ 2,18,14,117
25	SS4	16,404	RCC framed structure rested on Pile fdn.	26.57	1992	₹ 1,400	₹ 2,29,65,857	₹ 96,45,680
26	SS5	13,197	RCC framed structure rested on Pile fdn.	26.57	1992	₹ 1,400	₹ 1,84,75,158	₹ 77,59,566
27	Chemical house WTP	20,344	RCC framed structure rested on Pile fdn.	37.06	1992	₹ 1,600	₹ 3,25,50,034	₹ 1,45,25,452
28	Canteen bldg.	11,980	RCC framed structure rested on Pile fdn.	22.96	1992	₹ 1,400	₹ 1,67,72,309	₹ 74,84,643
29	Devi canteen	1,938	RCC framed structure rested isolated footings with RCC roof.	13.12	1994	₹ 1,300	₹ 25,18,753	₹ 11,91,790
30	H- Building	17,739	RCC framed structure rested on Raft fdn.	11.81	1992	₹ 1,300	₹ 2,30,60,579	₹ 1,02,90,784
31	Project office(Snam building)	11,044	RCC framed structure rested on Raft fdn. With steel trusses and steel sheet roof	13.12	1998	₹ 1,300	₹ 1,43,56,890	₹ 75,66,081
32	Fire & Safety building and fire tender garage	5,683	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 73,88,341	₹ 32,97,047
33	Dispensary and first aid centre	4,521	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 58,77,089	₹ 24,68,378
34	Workshop	29,622	RCC framed structure rested on Pile fdn. And roof with precast Rcc elements	49.20	1992	₹ 1,900	₹ 5,62,82,280	₹ 2,51,15,968
35	Main store	35,973	RCC framed structure rested on Pile fdn. And roof with precast Rcc elements	39.36	1992	₹ 1,400	₹ 5,03,62,135	₹ 1,32,20,061
36	Gate house	4,650	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 60,45,006	₹ 26,97,584
37	Weight Bridge	355	RCC framed structure rested on Pile fdn.	14.76	1992	₹ 1,300	₹ 4,61,771	₹ 2,06,065
38	Yard toilet(near ws,mrss,igp,sp house and bagging)	4,758	RCC framed structure rested isolated footings with RCC roof.	11.48	1992	₹ 1,100	₹ 52,33,408	₹ 20,60,654
39	Akshara school	86,208	RCC framed structure rested on Pile fdn.	24.60	1992	₹ 1,400	₹ 12,06,91,305	₹ 5,38,58,495
40	Club house	25,403	RCC framed structure rested on slab beam raft FDN. with RCC roof.	14.76	1995	₹ 1,400	₹ 3,55,63,926	₹ 1,62,88,278
41	Compound Wall	1,75,667	RCC	7.87	2012	₹ 110	₹ 1,93,23,353	₹ 1,38,24,249
42	CT makeup pump house	700	RCC framed structure rested on Pile fdn.	18.04	1998	₹ 1,300	₹ 9,09,550	₹ 4,79,333
43	Sub Stn. 6	6,889	RCC framed structure rested on Pile fdn.	26.24	1992	₹ 1,400	₹ 96,44,454	₹ 40,50,671
44	Director transit house	2,842	RCC framed with Continuous raft and Tiled roof with wooden rafters	11.48	2004	₹ 1,300	₹ 36,94,170	₹ 22,45,132
45	CF non plant Bldgs.-MCC, Admn & Toilet.	3,444	RCC framed structure with isolated footings	11.48	2011	₹ 1,300	₹ 44,72,782	₹ 31,43,217
	<b>Grand Total</b>	<b>13,60,819</b>					<b>₹ 1,96,89,75,637</b>	<b>₹ 68,74,93,105</b>

CASE NO.: VIS(2022-23)-PL112-096-151

Page 52 of 115



**BUILDINGS AS PER FAR**

Sr. No.	Description	Year of Construction	Total Life Consumed (in years)	Gross Replacement Value (INR)	Depreciated Replacement Market Value
1	CAPITALISATION OF PLANT - 2 PLANT BUILDINGS	2011	11	8,17,45,083 ₹	5,48,82,391.11
2	CAP OF PLANT-1 FACTORY BUILDINGS	2011	11	44,80,08,130 ₹	30,07,85,766.05
3	CF - KKD- PLANT BUILDINGS	2019	3	7,77,07,159 ₹	6,31,54,998.77
4	Less (Depreciated Replacement Market Value from Building Sheet)	1992	30	- ₹	-12,26,02,182.10
5	Security Post at Main Gate	2011	11	41,343 ₹	29,491.76
6	Security Post at Contract work men entry gate	2011	11	41,343 ₹	29,491.76
7	Security Post between Tower III & IV	2011	11	41,343 ₹	29,491.76
8	Security Post at green belt, PC I Area	2011	11	41,343 ₹	29,491.76
9	Security Post at green belt, Mada Area	2011	11	41,343 ₹	29,491.76
10	Security Post at green belt, water body IV Area	2011	11	41,343 ₹	29,491.71
11	CAPITALISATION OF PLANT - 2 NON PLANT BUILDINGS	2011	11	1,22,26,449 ₹	82,08,649.76
12	CAP OF PLANT-1 NON-FACTORY BUILDINGS	2011	11	17,99,56,942 ₹	12,08,20,322.29
13	CF - KKD- NON-PLANT BUILDINGS	2019	3	1,39,71,392 ₹	1,13,54,980.52
<b>Grand Total</b>				<b>₹ 81,38,63,212.04</b>	<b>₹ 43,67,81,876.93</b>

**Note:** There were few structure items which were not in the building sheet and were capitalized in FAR in a consolidated way. The valuation of those structures was performed based on their capitalization date as mentioned in the FAR. As per the above table Approx. Rs. 12 Crore is subtracted from the Total Depreciated cost which includes the depreciated cost of structures like substation 3, Plant 2 control room, ammonia substation, urea substation, steam and power generation plant including substation, GT-C and substation 21, substation 4, substation 5, substation 6 which are already considered in Building sheet.

**ROAD, BRIDGES AS PER FAR**

S. No.	Description	Year of Construction	Total Life Consumed (in years)	Gross Replacement Value (INR)	Depreciated Replacement Market Value
1	CONSTRUCTION OF ROADS AND PAVEMENTS-PDU	2012	10	26,12,268.00 ₹	12,34,296.63
2	BLACK TOPPING OF ROADS - PLANT 2	2011	11	48,27,901.00 ₹	13,18,016.97
3	CAPITALISATION OF PLANT - 2 ROADS, DRAINS&CULVERTS	2011	11	42,18,734.20 ₹	24,74,287.61
4	Roads at Plant 2 both side beams	2011	11	7,88,761.89 ₹	2,15,332.00
5	COMPOUND WALL AT SOUTH SIDE OF KVK VANAM	2011	11	4,29,163.61 ₹	2,51,704.46
6	GREEN BELT ROADS	2011	11	3,62,936.00 ₹	99,081.53
7	Road at backside of CT1	2011	11	2,28,522.00 ₹	62,386.51
8	Pavements around Plant 2	2011	11	2,19,618.00 ₹	59,955.71
9	Approach Road to SPCT & STCT Tank in DM Plant	2011	11	2,11,848.75 ₹	57,834.71
10	ROAD AT SCHOOL, APPROACH ROAD-TOWNSHIP AREA	2011	11	1,84,130.00 ₹	50,267.49
11	CONST OF BOX CULVERTS IN GREEN BELT AREA	2011	11	1,32,457.57 ₹	77,686.36
12	PAVEMENT EXTN ON WEST SIDE OF WORKSHOP	2011	11	1,19,772.00 ₹	32,697.76
13	ROADS & CULVERTS MI PLANT	2011	11	38,16,069.98 ₹	22,38,125.04
14	CONST. BOX CULVERTS IN GREEN BELT AREA	2011	11	57,281.86 ₹	33,595.81
15	CONST. BOX CULVERTS IN GREEN BELT AREA	2011	11	57,281.86 ₹	33,595.81
16	FOUNDATION STONE AT H BLOCK	2011	11	24,483.69 ₹	14,359.68
17	Road to Cement Godown, Main Stores	2011	11	34,756.00 ₹	9,488.39
18	PRECAST PCC SLABS AT PTP AREA	2011	11	36,137.00 ₹	15,529.88
19	WEST SIDE APPROACH ROADS	2011	11	52,898.76 ₹	14,441.36
20	R.R.MASONRY DRAIN ALONG STEEL YARD FENCING	2011	11	1,34,230.00 ₹	78,725.90
21	APPROACH ROAD TO WATER BODIES-GREEN BELT AREA/KALP	2011	11	64,150.00 ₹	17,512.95
22	BT ROADS AT EAST GATE-PLANT	2011	11	66,193.69 ₹	18,070.88
23	Ramp at Eastern side of CT-2	2011	11	1,38,418.37 ₹	37,788.22
24	Precast slabs at north side of Bagging Plant	2011	11	68,808.00 ₹	29,570.24
25	PAVEMENTS-PRECAST TILES-ROADSIDE BERMS-PLANT AREA	2011	11	1,82,942.85 ₹	78,619.69
26	Concrete approaches for Fire hydrant points	2011	11	1,56,356.59 ₹	67,194.24
27	PROVIDING KERB STONES FOR APPROACH ROADS TO CLUB H	2011	11	79,620.00 ₹	21,736.26
28	Road at South side of Plant-2 Reformer	2011	11	78,182.00 ₹	21,343.69
29	APPROACH ROAD TO AIR MONITORING STATION (2&3)	2011	11	91,076.00 ₹	24,863.75
30	CONSTRUCTION OF CULVERT AT GREEN BELT	2011	11	87,225.00 ₹	51,157.46
31	Road at east side of Bag Plant	2011	11	2,34,273.40 ₹	63,956.64
32	MASONRY DRAINS - PLANT 1	2011	11	1,04,808.73 ₹	61,470.32
33	EXTN. OF DRAINS AT CLUB HOUSE	2011	11	1,51,358.00 ₹	88,771.47
34	PATH WAY AROUND CLUB HOUSE	2011	11	1,59,026.00 ₹	68,341.42
35	PRECAST RCC SLABS, PAVING, PLANT 1 ROADS/DE BERMS	2011	11	1,77,302.00 ₹	76,195.53
36	APPROACH ROAD TO AP, UP, SP, GP, CT & BT"	2011	11	1,69,353.00 ₹	46,233.37
37	STONE PITCHING OF DRAINS - GREEN BELT	2011	11	4,41,447.00 ₹	2,58,908.67
38	Roads at Amm-1 & Steel yard	2011	11	1,93,355.00 ₹	52,785.92
39	PLINTH PROTECTION & DRAINS AROUND CLUB HOUSE	2011	11	2,19,991.00 ₹	1,60,373.44
40	PROVIDING PATHWAYS FOR ROADS NEAR CLUB HOUSE	2011	11	2,52,937.00 ₹	69,051.80
41	Outlet drain behind IG Plant	2011	11	7,09,174.31 ₹	4,15,930.73



42	PAVING ROAD SIDE BERMS IN PLANT AREA	2011	11	₹	8,04,723.01	₹	3,45,829.71
43	Extension of Fishermen Corridor	2011	11	₹	8,20,617.18	₹	4,81,291.98
44	APPROACH ROAD TO CLUB HOUSE-TOWN SHIP	2011	11	₹	3,46,626.00	₹	94,628.90
45	ROADS & DRAINS AT CLUB BUILDING	2011	11	₹	3,49,377.00	₹	95,379.92
46	ROADS, DRAINS & CULVERTS - PLANT 1	2011	11	₹	3,68,598.83	₹	2,16,183.21
47	ROAD WORK-STEELYARD OPEN STORAGE YARD-PLANT 2 AREA	2011	11	₹	3,43,246.00	₹	93,706.16
48	Road at Truck parking & Weighbridge	2011	11	₹	9,52,884.62	₹	2,60,137.50
49	PAVING ON ROAD SIDE BERMS IN PLANT 2 AREA	2011	11	₹	4,95,311.00	₹	2,90,499.90
50	PATH WAY WITH PCC NEAR CLUB HOUSE	2011	11	₹	40,692.00	₹	11,108.92
51	Road at back side of IG Plant	2011	11	₹	1,05,271.00	₹	28,738.98
52	Gates at Storm water pit for outlet drainage	2011	11	₹	43,472.00	₹	25,496.33
53	ROADS, DRAINS & CULVERTS TOWNSHIP	2011	11	₹	1,49,63,550.00	₹	87,76,122.08
54	CAP OF PLANT-1 ROADS, DRAINS & CULVERTS	2011	11	₹	7,67,27,945.00	₹	4,50,00,939.74
55	LYING ODF DRAINAGE PIPE LINE - MI PLANT	2014	8	₹	4,01,435.14	₹	2,69,764.41
56	WBM Roads NEAR CFG	2019	3	₹	8,99,357.03	₹	6,55,631.27
<b>GRAND TOTAL</b>				₹	<b>12,00,38,356.92</b>	₹	<b>6,67,46,745.30</b>

### SUMMARY

VALUATION SUMMARY   BUILDING & CIVIL STRUCTURE   M/S NAGARJUNA FERTILISERS AND CHEMICALS LIMITED   KAKINADA, ANDHRA PRADESH				
Sr. No.	Particulars	Cost of Capitalization (Gross Block as on 31.03.2022)	Estimated Reproduction Cost of the Asset	Prospective Fair Market Value (INR)
1	Civil & Building Structures	₹ 1,10,66,45,635	₹ 1,96,59,75,637	₹ 68,74,93,105
2	Buildings as per FAR		₹ 81,38,63,212	₹ 43,67,81,877
3	Road, Bridges as per FAR	₹ 11,32,08,583	₹ 12,00,38,356	₹ 6,67,46,745
<b>Total (B)</b>		<b>₹ 1,21,98,54,218</b>	<b>₹ 2,89,98,77,205</b>	<b>₹ 1,19,10,21,727</b>
<b>Notes:</b>				
1	Buildings & civil works are only related to the urea manufacturing unit, Kakinada, Andhra Pradesh			
2	The Company has informed that the structures which are present on the existing land parcel were handed over by the Vendor of the Land during the time of transfer of Land parcel only and no new Construction has taken place after the execution of the sale deed.			
3	Due to vastness of the project we have relied on Building sheet provided by the client to determine the value of the structures present on site.			
4	Building and civil works valuation has been done based on cost approach/ plinth area method.			
5	For evaluation of the useful economic life for the calculation of depreciation, companies act 2013 and the general practical trend of same Buildings are taken into consideration.			
6	For calculating reproduction cost of Civil & Structural Assets as on date, we have taken reference from open market and calculated depreciation on the same			
7	The Building structure is in an average condition. Hence in valuation exercise we have considered 15% to 60% as physical obsolescence factor depending on the age and maintenance of the structures.			





5. VALUATION OF ADDITIONAL AESTHETIC/ INTERIOR WORKS IN THE PROPERTY			
Sr. No.	Particulars	Specifications	Depreciated Replacement Value
a.	Add extra for Architectural aesthetic developments, improvements (Add lump sum cost)	Since this is an industrial Project no specific Architectural Works are required.	---
b.	Add extra for fittings & fixtures (Doors, windows, wood work, cupboards, modular kitchen, electrical/ sanitary fittings)	Since this is an industrial Project no specific Fittings and Fixtures Are Required. However some of fittings and fixtures that are required in the project are already included in the Summary of Building Valuation.	---
c.	Add extra for services (Water, Electricity, Sewerage, Main gate, Boundary, Lift, Auxiliary power, AC, HVAC, Firefighting etc.)	Since this is an industrial Project no specific Services Works are required.	---
d.	Add extra for internal & external development (Internal roads, Landscaping, Pavements, Street lights, green area development, External area landscaping, Land development, Approach Road, etc.)	Since this is an industrial Project no specific Architectural Works are required.	---
e.	<b>Depreciated Replacement Value (B)</b>	---	---
f.	<b>Note:</b> <ul style="list-style-type: none"> <li>Value for Additional Building &amp; Site Aesthetic Works is considered only if it is having exclusive/ super fine work specification above ordinary/ normal work. Ordinary/ normal work value is already covered under basic rates above.</li> </ul>		





**PART H**

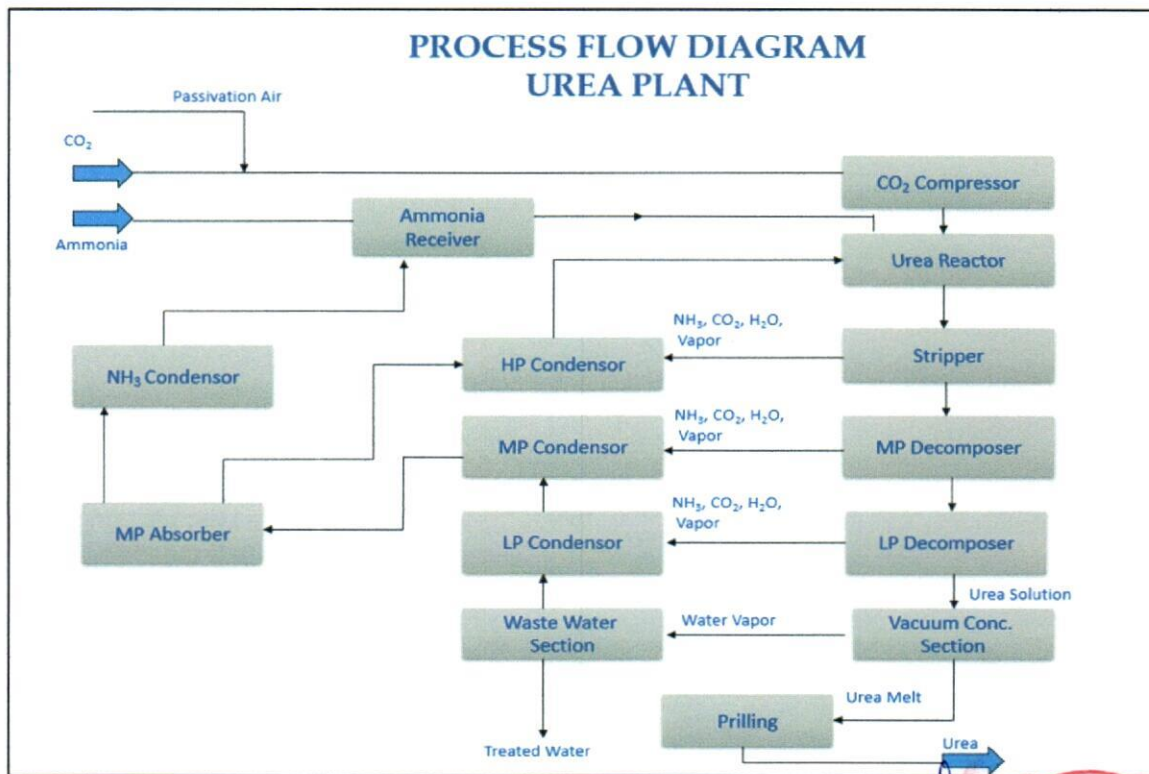
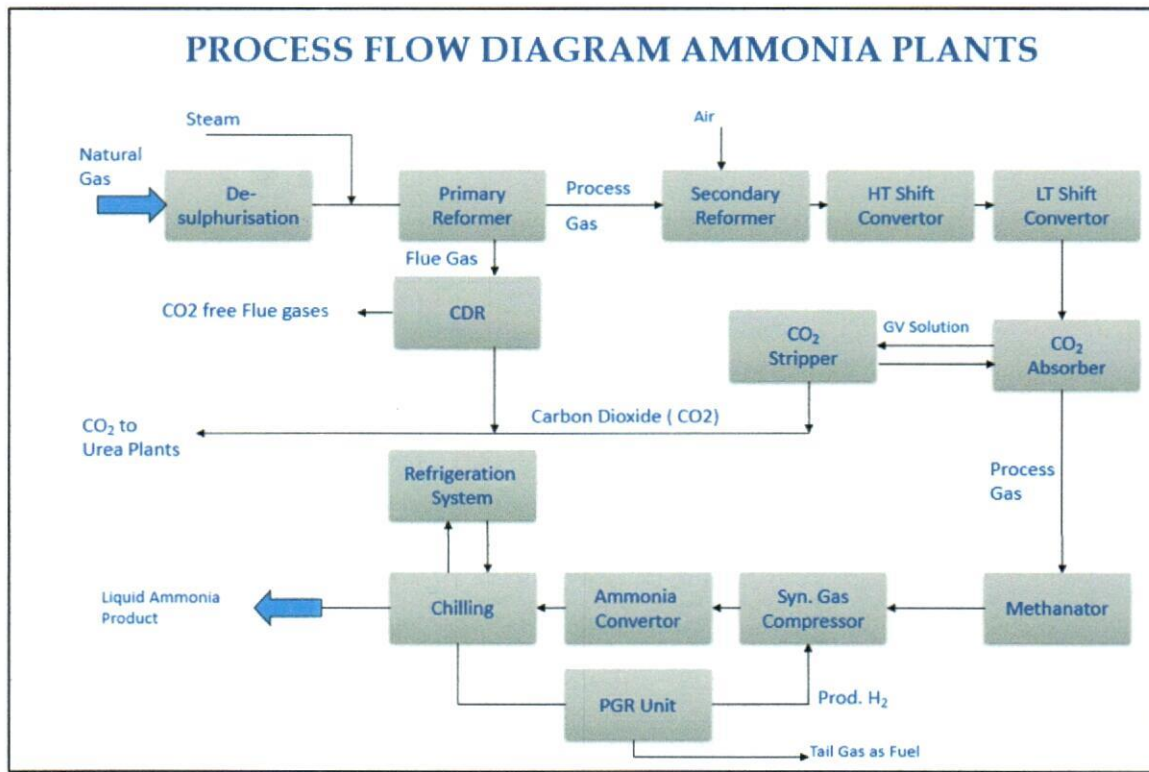
**CHARACTERISTICS DESCRIPTION OF PLANT/ MACHINERY**

S.NO.	CONTENTS	DESCRIPTION
<b>1.</b>	<b>TECHNICAL DESCRIPTION OF THE PLANT/ MACHINERY</b>	
a.	Nature of Plant & Machinery	Chemical & Fertilisers
b.	Size of the Plant	Large scale Plant
c.	Type of the Plant	Semi Automatic
d.	Year of Installation/ Commissioning/ COD (Commercial Operation Date)	Plant 1: 1992 Plant 2: 1998
e.	Production Capacity	1.19 MTPA urea manufacturing capacity
f.	Capacity at which Plant was running at the time of Survey	~75%
g.	Number of Production Lines	2 Production Lines
h.	Condition of Machines	Rusted & sulpharised all over.
i.	Status of the Plant	Partially operational
j.	Products Manufactured in this Plant	Urea
k.	Recent maintenance carried out on	March 2021
l.	Recent upgradation, improvements if done any	March 2021
m.	Total Gross Block & Net Block of Assets	<b>Gross Block</b>
		<b>Net Block</b>
		As on 31/03/2022
		Rs.2357,16,31,718/-
		---
n.	Any other Details if any	NA





**2. MANUFACTURING PROCESS**





<pre> graph LR     Air["Air (N<sub>2</sub>+O<sub>2</sub>)"] --&gt; AmmoniaPlant["Ammonia Plant"]     NG["Natural Gas (CH<sub>4</sub>)"] --&gt; AmmoniaPlant     Steam["Steam (H<sub>2</sub>O)"] --&gt; AmmoniaPlant     AmmoniaPlant -- "Ammonia" --&gt; UreaPlant["Urea Plant"]     AmmoniaPlant -- "Carbon Dioxide" --&gt; UreaPlant     UreaPlant --&gt; Urea["Urea (NH<sub>2</sub>-CO-NH<sub>2</sub>)"]         </pre>		
<b>3. TECHNOLOGY TYPE/ GENERATION USED AND TECHNOLOGICAL COLLABORATIONS IF ANY</b>		
a.	Technology Type/ Generation Used in this Plant	Natural gas-based fertilizer Plant which consists of HTAS, Denmark technology based Ammonia unit and Saipem technology based urea unit.
b.	Technological Collaborations If Any	No technology Collaboration. However, some of the equipment's are imported.
c.	Current Technology used for this Industry in Market	Ammonia/ Carbon Dioxide technology.  This is a two-step process where the ammonia and carbon dioxide react to form ammonium carbonate which is then dehydrated to urea
<b>4. RAW MATERIALS REQUIRED &amp; AVAILABILITY</b>		
	Type of Raw Material	Natural Gas, Steam and Air
	Availability	As per information available in public domain Krishna Godavari inland and offshore basins have good prospects of tight oil and tight gas reserves from the conducted field studies.  As informed by the company, as on date of site visit the Natural Gas was being procured from GAIL which purchases Natural Gas from gas extraction companies located in various gas fields located in KG basin. Since Fertilizer sector falls under Essential commodities act, 1955, therefore supply of natural gas is supplied on priority to fertilizers plants.
<b>5. AVAILABILITY &amp; STATUS OF UTILITIES</b>		
	Power/ Electricity	Available at site
	Water	Available at site
	Road/ Transport	Available at site
<b>6. COMMENT ON AVAILABILITY OF LABOUR</b>		
	Availability	Appears to be easily & adequately available and no labour issues came to our knowledge during site inspection.
	Approximate No. of Manpower working	Approx. 561



	in the Factory	
<b>7.</b>	<b>SALES TRANSACTIONAL PROSPECTS OF SUCH PLANTS/ MACHINERY</b>	
	Strategic Sale as part of the ongoing concern company.	
	<b>Reason:</b> This is a Large Scale Plant and can only be sold only as an Integrated Industry to preserve its value since complete process line & machines are special purpose machines and can't be used in any other Industry. So for fetching maximum value is through strategic sale to the players who are already into same or similar Industry who have plans for expansion or any large conglomerate who plans to enter into this new Industry	
<b>8.</b>	<b>DEMAND OF SUCH PLANT &amp; MACHINERY IN THE MARKET</b>	
	Appears to be good as per general information available in public domain.	
<b>9.</b>	<b>SURVEY DETAILS</b>	
a.	Plant has been surveyed by our Engineering Team on dated 27/05/2022.	
b.	Site inspection was done in the presence of company's representative Mr. R. Raghavan who was available from the company to furnish any specific detail about the Plant & Machinery.	
c.	Our team examined & verified the machines and utilities from the FAR provided by the company. Only major machinery, process line & equipment has been verified.	
d.	During Site visit, <b>the company didn't allow to take the photographs of machines</b> citing safety reasons and provided the photographs to us by capturing on their own after the visit was completed.	
e.	Plant was found operational at the time of survey.	
f.	Only Major Machineries were verified using their in-house equipment code since no Asset number was mentioned on the equipment's separately. Thus it was not possible to match the Asset with FAR.	
g.	Condition of the machines is checked through visual observation only. No technical/ mechanical/ operational testing has been carried out to ascertain the condition and efficiency of machines.	
h.	Site Survey has been carried out on the basis of the physical existence of the assets rather than their technical expediency.	
i.	During site visit it was observed that few machineries and their piping systems were corroded. The reason for the same is the proximity of the project from Sea Coast which is having high humidity in air. The overall condition of the Plant was found to be average.	

*[Handwritten Signature]*

*[Circular Stamp: R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.]*



**PART I**

**PROCEDURE OF VALUATION ASSESMENT – PLANT & MACHINERY**

1.	GENERAL INFORMATION			
i.	Important Dates	Date of Inspection of the Property	Date of Valuation Assessment	Date of Valuation Report
		27 May 2022	3 June 2022	3 June 2022
ii.	Client	Industrial Development Bank of India (IDBI)		
iii.	Intended User	Industrial Development Bank of India (IDBI)		
iv.	Intended Use	To know the general idea on the market valuation trend of the property as per free market transaction. This report is not intended to cover any other internal mechanism, criteria, and considerations of any organization as per their own need, use & purpose.		
v.	Purpose of Valuation	For Distress Sale of mortgaged assets under NPA a/c		
vi.	Scope of the Assessment	Non binding opinion on the assessment of Plain Physical Asset Valuation of the property identified to us by the owner or through his representative.		
vii.	Restrictions	This report should not be referred for any other purpose, by any other user and for any other date other then as specified above.		
viii.	Identification of the Assets	<input type="checkbox"/> Cross checked from the name of the machines mentioned in the FAR/ Inventory list name plate displayed on the machine <input checked="" type="checkbox"/> Identified by the company's representative <input type="checkbox"/> Identified from the available Invoices <input type="checkbox"/> Identification of the machines could not be done properly <input checked="" type="checkbox"/> Due to large number of machines/ inventory, only major production lines & machines have been checked <input type="checkbox"/> Physical inspection of the machines could not be done		
ix.	Type of Survey conducted	Full survey (inside-out with approximate measurements & photographs).* (*) We were not allowed to take photographs of the machines on our own citing safety reasons by the company.		



2.		ASSESSMENT FACTORS			
i.	Nature of the Valuation	Fixed Assets Valuation			
ii.	Nature/ Category/ Type/ Classification of Asset under Valuation	Nature	Category		Type
		PLANT & MACHINERY	INDUSTRIAL		INDUSTRIAL PLANT & MACHINERY
		Classification	Income/ Revenue Generating Asset		
iii.	Type of Valuation (Basis of Valuation as per IVS)	Primary Basis	Fair Market Value & Govt. Guideline Value		
		Secondary Basis	On-going concern basis		
iv.	Present market state of the Asset assumed (Premise of Value as per IVS)	Under Distress State			
		Reason: Asset under Banking Resolution Process			
v.	Physical Infrastructure availability factors of the locality	Water Supply	Sewerage/ sanitation system	Electricity	Road and Public Transport connectivity
		Yes	Underground	Yes	Easily available
		Availability of other public utilities nearby		Availability of communication facilities	
		Transport, Market, Hospital etc. are available in close vicinity		Major Telecommunication Service Provider & ISP connections are available	
vi.	Neighbourhood amenities	Good			
vii.	Any New Development in surrounding area	None		Plant site is surrounded by the Kakinada town habitation on the western side.	
viii.	Any specific advantage/ drawback in the plant and machines	Plant requires major overhauling capex and energy conservation plan. During site visit it was observed that few machineries and their piping systems were corroded. The reason for the same is the proximity of the project from Sea Coast which is having high humidity in air.			
ix.	Machines overall usability/ utility Factor	Good but Restricted to a particular use			
x.	Best Sale procedure to realize maximum Value (in respect to Present market state or premise of the Asset as per point (iv) above)	Fair Market Value			
		Free market transaction at arm's length wherein the parties, after full market survey each acted knowledgeably, prudently and without any compulsion.			
xi.	Hypothetical Sale transaction method assumed for the computation of valuation	Fair Market Value			
		Through Swiss challenge mechanism			



xii.	Approach & Method of Valuation Used	Approach of Valuation	Method of Valuation
		Cost Approach	Depreciated Replacement Cost Method
xiii.	Type of Source of Information	Level 3 Input (Tertiary)	

xiv.	Any other aspect which has relevance on the value or marketability of the machines	<p>The marketability for the machines depends upon the industry outlook, sector economics, make, market condition, raw material, maintenance, raw material, usability, capacity.</p> <p>Unit-1 of the Plant is 30 years old whereas Unit-2 is 24 years old. The Plant is operational but has completed most of its useful life. Now to operate the Plant further with standard/ optimal efficiency it requires major maintenance, overhauling, refurbishment and replacement of few machineries. The energy consumption in the Plant is above Industry average and the target norm fixed by the GOI. For this consultant Mott Macdonald has made the assessment for overhauling and refurbishment in their Plant revival, reliability and energy conservation scheme and has estimated around Rs.784 crores of capex.</p> <p>Since this is an old depreciated Plant, therefore Old Urea Policy is applicable on it which has its disadvantages in comparison to New Urea Policy formulated in year 2015.</p> <p>This Valuation report is prepared based on the facts of the assets &amp; market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time &amp; socio-economic conditions prevailing in the region/ country. In future assets market may go down, asset conditions may change or may go worse, plant vicinity conditions may go down or become worse, plant market may change due to impact of Govt. policies or effect of domestic/ world economy, usability prospects of the Plant may change, etc. Hence before financing, Banker/ FI should take into consideration all such future risk while financing.</p>
xv.	<b>CONSOLIDATED PLANT &amp; MACHINERY VALUATION</b>	
	Consolidated valuation sheet of Plant & Machinery and other asset items are mentioned below with depreciated current market value as per different category of the machines/assets cumulated together. Our engineering team has separated the Cost of Equipment's in the different sections of the plant. The cost of equipment considered from P&M List doesn't includes Pre-operative, Finance, and IDC Charges etc. The capitalized/ purchase cost of machinery considered from P&M List consists of final commissioning of machines which includes freight, taxes, insurance, etc.	
xvi.	<b>Basis of computation &amp; working</b>	
xvii.	<b>Main Basis:</b>	



- a. **Basic Methodology:** For arriving at fair market value of P&M & other fixed assets our engineering team has rationally applied the 'cost approach (depreciated replacement cost)'. The fair market value of Plant & Machinery on the date of valuation is its cost of reproduction & commissioning on that date less the depreciation & other deterioration deductions (Technological, Economic, Functional obsolescence) or additions for good maintenance from the date of commissioning of the machinery to the date of its valuation.
- b. Core P&M Asset Valuation is done keeping in mind various factors like technology used, machines availability, its condition, average age, maintenance & service and parts replacement availability of the machines and more importantly demand in the market.
- c. Main Machinery of this Plant are specific purpose machines used for the production of urea are Carbamate Condenser, Combustion Air Preheater, Cooling Towers, Prill Tower etc. to name a few.
- d. The main data point for the Valuation of Plant & Machinery is the Fixed Asset Register maintained by the company. Plant & Machinery FAR has been provided by the company which has been relied upon in good faith. Provided FAR included assets in different heads like Land, Building, Plant & Machinery, Electrical equipment's, Furniture & fittings, Office equipment, etc. Assets under different heads are segregated and are evaluated separately. From the Fixed Asset Register List two key inputs, Date of Capitalization and Cost of capitalization are taken which play vital role in evaluating used Plant & Machinery valuation.
- e. Provided Capitalization cost in FAR doesn't include any kind of soft cost like pre-operative, finance, IDC expenses, etc. incurred during establishment of the Project.
- f. For calculating Replacement Cost of the machines as on date, Cost Inflation Index is taken into consideration.
- g. For evaluating useful life of assets, chart of Companies Act-2013 and generally accepted market standards are referred in this assessment to reach the final economical life of a particular asset.
- h. On the Depreciated Replacement Cost (DRC) deduction for obsolescence/ deterioration or addition for good maintenance has been taken to arrive at the estimated Prospective Fair Market Value of the machines. Since few sections of the Plant requires major maintenance and overhauling and consultant Mott Macdonald has also assessed Rs. 784 capex in the Plant to revive to run on full efficiency. Therefore based on Plant condition we have taken 35% detonation discount on DRC.
- i. Underline assumption for the evaluation of this Plant & Machinery is that it can be sold individually in market since demand of used & second hand machinery of this type is available in the market.
- j. Valuation of the asset is done as found on as-is-where basis on the site as identified to us by client/ owner/ owner representative during site inspection by our engineer/s unless otherwise mentioned in the report.
- k. The valuation of the Plant/ Machinery has been done considering the plant as a whole. The individual cost for machines shown is for illustration purpose, and may vary from market rates since the valuation is done using cost approach method and finally cross verified from market approach as a whole plant and not individual machine.
- l. Consolidated valuation sheet of Plant & Machinery and other asset items are mentioned below with depreciated current market value as per different category of the machines/assets cumulated together. Our engineering team has separated the Cost of Equipment's in the different sections of the plant. The cost of equipment considered from P&M List doesn't includes Pre-operative, Finance, and IDC Charges etc. The capitalized/ purchase cost of machinery considered from P&M List consists of final commissioning of machines which includes freight, taxes, insurance, etc.





**Other Basis:**

- a. Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.
- b. Secondary/ Tertiary costs related to asset transaction like Installation, maintenance and Logistics costs pertaining to the sale/ purchase of the assets are not considered separately while assessing the indicative estimated Market Value and is assumed to be included in the Cost of capitalization provided by the client.
- c. The condition assessment and the estimation of the residual economic life of the machinery and assets are only based on the visual observations and appearance found during the site survey. We have not carried out any physical tests to assess the working and efficiency of the machines and assets.
- d. Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset or on its owners has not been factored in the Valuation.
- e. Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown to us on site of which some reference has been taken from the information/ data given in the copy of documents provided to us which have been relied upon in good faith and we have assumed that it to be true and correct.

xviii. **ASSUMPTIONS**

- a. Documents/ Information/ Data provided by the client/ property owner or his representative both written & verbally is true and correct without any fabrication and has been relied upon in good faith.
- b. The assets and interests therein have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject assets or their ownership are assumed to exist. No opinion of title is rendered in this report and a good title is assumed unless stated otherwise.
- c. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
- d. Payment condition during transaction in the Valuation has been considered on all cash basis which includes both formal & informal payment components as per market trend.
- e. Sale transaction method of the asset is assumed as Free market transaction without any compulsion unless otherwise mentioned while assessing Indicative & Estimated Fair Prospective Market Value of the asset unless otherwise stated.

xix. **SPECIAL ASSUMPTIONS**

None

xx. **LIMITATIONS**

Limited information available from the customer.





**VALUATION ASSESSMENT**  
**M/S NAGARJUNA FERTILIZERS AND CHEMICALS**  
**LIMITED**

<b>VALUATION SUMMARY   PLANT &amp; MACHINERY &amp; OTHER FIXED ASSETS</b>					
<b>NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED</b>					
<b>(KAKINADA, ANDHRA PRADESH)</b>					
<b>Sr.No</b>	<b>Particulars</b>	<b>ANNEXURE</b>	<b>Total Acquisition &amp; Production Cost (INR)</b>	<b>Total Gross Current Reproduction Cost (INR)</b>	<b>Total Fair Market Value (INR)</b>
1	Plant & Machinery	Annexure -A	₹ 23,32,29,16,230	₹ 49,89,86,22,679	₹ 5,81,53,73,560
2	Furniture & Fittings	Annexure -B	₹ 2,23,91,475	₹ 7,63,37,535	₹ 38,16,877
3	Information Technology Equipments	Annexure-C	₹ 2,62,17,411	₹ 2,44,54,398	₹ 12,34,440
4	Other Equipments	Annexure -D	₹ 5,14,25,503	₹ 8,09,66,357	₹ 47,22,760
5	Railway Sidings	Annexure -E	₹ 13,52,62,180	₹ 18,98,69,087	₹ 94,93,454
6	Vehicles	Annexure -F	₹ 1,34,18,920	₹ 1,83,43,288	₹ 15,30,607
<b>Total</b>			<b>₹ 23,57,16,31,718</b>	<b>₹ 50,28,85,93,343</b>	<b>₹ 5,83,61,71,698</b>
<b>Important Note-</b>					
1. Asset like Plant & Machinery and other related tangible and intangible assets pertaining to M/s. Nagarjuna Fertilizers and Chemicals Limited located at Kakinada, Andhra Pradesh are considered in this section of valuation report.					
2. Asset items of different classes are grouped together and summarized separately. Detailed valuation sheet with calculation can be referred in attached annexures.					
3. For evaluating useful life of assets, chart of Companies Act-2013 and generally accepted market standards are referred in this assessment to reach the final economical life of a particular asset.					
4. During the site visit conducted by our engineering team on 27/05/2022, Kakinada plant was physically inspected by our team. Different sections set up inside the NFCL were visually inspected. As per the information available in the public domain, we have taken the useful life as 20 years.					
5. For the machinery and equipments, Rate of Inflation has been assessed with the help of price indices. Price indices have been referred from the Office of Economic Advisor (Government of India). Further Inflation in respective commodity has been evaluated and applied to the respective capitalization cost to reach its Gross current reproduction Cost.					
6. In provided FAR, soft cost incurred during the Project commissioning like Pre-operative expenses (insurance, taxes, freight), Finance Cost, Bank interest, charges etc. is also capitalized in the Gross Block.					
7. Final valuation includes Design, erection, procurement, installation & commissioning charges as well.					
8. Overall physical condition of the Plant and machinery is average and some of the section has required some maintenance. Hence, considering the fact, we have given markup discount of 35% to the machinery & equipments and 10% to other fixed assets.					





**PART J**

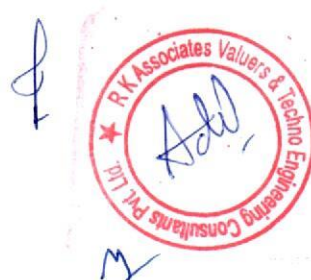
**RECENTLY INSTALLED FERTILIZER PLANTS AND M&A**

**BRIEF DETAILS OF FERTILIZER PLANTS RECENTLY INSTALLED IN INDIA**

	Gorakhpur, UP		Sindri, Dhanbad, JH		Ramagundam	Barauni, Bihar	Namrup, Dibrugarh, Assam
<b>Project Name</b>	Ammonia-Urea Fertilizer Project at Gorakhpur by HURL	Brownfield Ammonia-Urea Fertilizer Project at Gorakhpur by FCIL	Ammonia-Urea Fertilizer Project at Sindri by HURL	Ammonia-Urea Fertilizer Project at Sindri by FCIL	New Ammonia-Area Fertilizer Project at Ramagundam by RFCL	Ammonia-Urea Fertilizer Project at Barauni by HURL	Namrup-IV New Ammonia/Urea Fertilizer Project by BVFCL
<b>Plant Capacity (Urea)</b>	3850 MTPD	3850 MTPD	3850 MTPD	3850 MTPD	3850 MTPD	3850 MTPD	2620 MTPD
<b>Plant Capacity (Ammonia)</b>	2200 MTPD	2200 MTPD	2200 MTPD	2200 MTPD	2200 MTPD	2200 MTPD	1500 MTPD
<b>Project Cost</b>	5825 cr.	5458 cr.	5825 cr.	5456 cr.	5465 cr.	5847.1 cr.	4932.77 cr.
<b>Total Land Area</b>	305 acres	993.81 acres	1194.77 acres (factory)	1194.77 acres (factory) 6653 acres (total)	19860.75 acres (factory) 77629.42 acres (total)	630 acres	222.16 acres (factory) 863.89 acres (total)

**RECENT MERGERS & ACQUISITIONS FOR UREA MANUFACTURING PLANTS**

S. NO.	SELLER	BUYER	DEAL AMOUNT	CAPACITY (tonnes per annum)	PRODUCTS MANUFACTURED	DEAL MONTH/ YEAR
1	Grasim Industries Limited (Aditya Birla Group)	Indorama India Private Limited (Indorama Corporation)	2649 cr.	1.2 million	Urea manufacturing at Jagdishpur, UP	Nov-20
2	Tata Chemicals	Yara Fertilizers India	2670 cr.	1.2 million	Urea manufacturing at Babrala, UP	Jan-18
3	Tata Chemicals	IRC Agrochemicals (Indorama Corporation)	375 cr.	1.2 million	Urea manufacturing at Haldia, UP	Aug-17





**PART K**

**CONSOLIDATED VALUATION ASSESSMENT OF THE PLANT**

Sr. No.	Particulars	Gross Block	Indicative & Estimated Prospective Fair Market Value
1.	Land Value (A)	Rs.7,61,93,363/-	Rs.3,06,46,27,682/-
2.	Building Value (B)	Rs.121,98,54,218/-	Rs.119,10,21,727/-
3.	Additional Aesthetic Works Value (C)	---	---
4.	Plant & Machinery Value (D)	Rs.2357,16,31,718/-	Rs.583,61,71,698/-
5.	<b>Total Add (A+B+C+D)</b>	<b>Rs.2486,75,70,347/-</b>	<b>Rs.1009,18,21,107/-</b>
6.	Additional Premium if any	---	---
	Details/ Justification	---	---
7.	Deductions charged if any	---	---
	Details/ Justification	---	---
8.	<b>Total Indicative &amp; Estimated Prospective Fair Market Value</b>	<b>Rs.2486,75,70,347/-</b>	<b>Rs.1009,18,21,107/-</b>
9.	<b>Rounded Off</b>	---	<b>Rs.1009,18,00,000/-</b>
10.	<b>Indicative &amp; Estimated Prospective Fair Market Value in words</b>	---	<b>One Thousand Nine Crores Only</b>
11.	<b>Expected Realizable Value Less: 25%</b>	---	<b>Rs.756,90,00,000/-</b>
12.	<b>Expected Distress Sale Value (@ ~35% less)</b>	---	<b>Rs.656,00,00,000/-</b>
13.	<b>Expected Liquidation Value (Less ~40%)</b>	---	<b>Rs.605,50,00,000/-</b>
14.	<b>Percentage difference between Circle Rate and Fair Market Value</b>	More than 20%	
15.	<b>Likely reason of difference in Circle Value and Fair Market Value in case of more than 20%</b>	Circle rates are determined by the District administration as per their own theoretical internal policy for fixing the minimum valuation of the property for property registration tax collection purpose and Market rates are adopted based on prevailing market dynamics found as per the discrete market enquiries which is explained clearly in Valuation assessment factors.	

*[Handwritten Signature]*

*[Circular Stamp: R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd.]*



**16. Concluding Comments/ Disclosures if any**

- a. After the relatively better Covid-19 situation and stabilization of world and Indian economy post Covid-19 disruption, the growth outlook for Indian economy looks to be firm and positive. By various world agencies Indian economy is projected to grow in the range 7-9%. As per economic survey by Indian Govt., India's GDP is projected to grow in real terms by 8.0-8.5 per cent in 2022-23. Also, in recent times the interest in industrial properties has picked up.
- b. Private investment in Indian economy is on upward trajectory and showing up some movement. However, inflation, global supply chain disruptions and mounting risk of global recession are the current major issues in front of the economy and therefore uncertainties have started looming ahead in regard to growth. Some of the credit rating agencies, global institutions, market pundits have downgraded the growth projections for India for 2023 when everyone was bullish earlier because of the issues mentioned above.
- c. However, Fertilizer is an agriculture-based commodity and since India is largely an agro based economy therefore it is a widely consumed commodity.
- d. Urea is a source of Nitrogen, an essential nutrient crucial for crop growth and development. Urea is the most important nitrogenous fertilizer in the country because of its high N content (46%N). It also has industrial applications such as the production of plastics and as a nutritional supplement for cattle. Neem Coated Urea (N) is the Neem oil-coated Urea specially developed only to be used as agricultural fertilizer. The coating of Neem slows the nitrification of urea thereby helps in increased absorption of nutrients in the soil as well as reduces groundwater pollution.
- e. We have reviewed the performance of Fertilizer sector and found that the companies in this sector are in profit and doing good. (Refer Enclosure VI).
- f. However, the sector is Govt. controlled and there are issues & delays in subsidy payments by the Govt. but at the same time there is still an interest in the business community for Fertilizer sector and there are instances of fertilizer plant transactions and Merger & Acquisitions in the past as tabled on Part J: Recently Installed Fertilizer Plants and M&A which shows that market players are not averse to entering this sector.
- g. Although Plant has become old but the basic infrastructure is still intact which has a great time value for the new player. With refurbishment and replacement of some of the defunct sections of the Plant, it can be a great asset for any market player who wants to enter into this sector.
- h. Since, the Plant has almost lived its economic life except the sections which has been replaced in last decade and those sections which have been maintained properly. Since, the Plant requires major maintenance capex in the form of energy conservation scheme, reliability measures, civil repairs as assessed by Mott MacDonald's TDD report therefore in the Plant we have already considered appropriate deterioration discount over and above depreciated replacement value for its current condition.





- i. Since this is an old depreciated Plant, therefore Old Urea Policy is applicable on it which has its disadvantages in comparison to New Urea Policy formulated in year 2015.
- j. Therefore, now based on above factors we have reasonably and appropriately considered 25% as realizable value of the overall Plant, 35% overall as distress value of the overall Plant, and 40% as liquidation value.
- k. This is just the fixed asset valuation of the project based on the cost & market approach methodologies considering the utility of the asset for the business & the company as on-going concern basis. This Valuation shall not be construed as the transactional value of the Project which may be determined through Enterprise/ Business Valuation based on Income approach methodologies.
- l. It should be noted that this is only a fixed asset valuation of the Plant on as-is-where basis. It doesn't cover any kind of liabilities or contingent liabilities and assessment of current assets. If the transaction is taking place on fixed asset basis, then the transaction value can be arrived only after adjustment of all the liabilities & current assets. If the transaction is taking place based on business/ economic basis, then it can be only arrived based on the business Enterprise Valuation which is not scope of the work. Therefore, the above value shall not be construed as a transaction value.
- m. This report only contains general assessment & opinion on the Depreciated market value of the assets of the project found on as-is-where basis on site for which the Bank/ customer has shown & asked us to conduct the Valuation for which photographs is also attached with the report. No legal aspects in terms of ownership or any other legal aspect is taken into consideration. It doesn't contain any due-diligence other than the valuation assessment of the property shown to us on site. Information/ data/ documents given to us by Bank/ client has been relied upon in good faith. This report doesn't contain any other recommendations of any sort.
- n. During site visit the company didn't allow us to take photographs of the assets with main plant area citing Safety Concerns and have provided the photographs on their own.
- o. The liquidation value suggested in the report is on ongoing concern basis of the Plant. The values on piecemeal basis or in isolation from one another or assets considered separated from the composite Plant will have completely different values which is not captured in this report.
- p. We are independent of client/ company and do not have any direct/ indirect interest in the property.
- q. This valuation has been conducted by R.K Associates Valuers & Techno Engineering Consultants (P) Ltd. and its team of experts.
- r. This Valuation is done for the property found on as-is-where basis as shown on the site by the Bank/ customer of which photographs is also attached with the report.
- s. Reference of the property is also taken from the copies of the documents/ information which interested organization or customer could provide to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. All such information provided to us



has been relied upon in good faith and we have assumed that it is true and correct. However, we do not vouch the absolute correctness of the property identification, exact address, physical conditions, etc. based on the documents provided to us since property shown to us may differ on site Vs as mentioned in the documents or incorrect/ fabricated documents may have been provided to us.

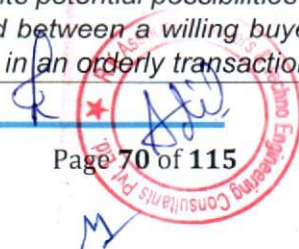
- t. Legal aspects for eg. Investigation of title, ownership rights, lien, charge, mortgage, lease, verification of documents from originals or from any Govt. department, etc. has to be taken care by legal experts/ Advocates and same has not been done at our end.
- u. The valuation of an asset is an estimate of the worth of that asset which is arrived at by the Valuer in his expert opinion after factoring in multiple parameters and externalities. This may not be the actual price of that asset and the market may discover a different price for that asset.
- v. This report only contains opinion based on technical & market information which came to our knowledge during the course of the assignment. It doesn't contain any recommendations.
- w. This report is prepared following our Standard Operating Procedures & Best Practices and will be subject to Limitations, Conditions, Valuer's Remarks, Important Notes, Valuation TOS and basis of computation & working as described above.
- x. The use of this report will become valid only after payment of full fees as per the Payment Terms. Using this report or any part content created in this report without payment of charges will be seen as misuse and unauthorized use of the report.

#### 17. IMPORTANT KEY DEFINITIONS

**Fair Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of the assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.

*Fair Value without using the term "Market" in it describes that the value suggested by the Valuer may not mandatorily follow or may not be in complete consonance to the established Market in his expert opinion. It may or may not follow market dynamics. But if the suggested value by the valuer is not within the prevailing Market range or is assessed for an asset is located in an un-established Market then the valuer will give reasonable justification & reasoning that for what reasons the value suggested by him doesn't follow the prevailing market dynamics.*

**Fair Market Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice in consonance to the Market dynamics after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, in an orderly transaction after





proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.

Here the words "in consonance to the established Market" means that the Valuer will give opinion within the realms & dynamics of the prevailing market rates after exhaustively doing the micro market research. However due to the element of "Fair" in it, valuer will always look for the factors if the value should be better than the market realms which is just & equitable backed by strong justification and reasoning.

**Market Value** suggested by the competent Valuer is that prospective estimated amount which is average price of the similar comparable assets prevailing in an open & established market during the near period of the date of valuation at which the subject asset/ property should be exchanged between a willing buyer and willing seller on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities at an arm's length transaction in an open, established & unrestricted market, in an orderly transaction, wherein the parties, each acted without any compulsion on the date of the Valuation.

Using the term "Market Value" without "Fair" omits the elements of proper marketing, acting knowledgeably & prudently.

Market and market participants can be sentimental, inclined towards the transaction without the element of complete knowledge & prudence about facts or due diligence of the asset therefore "each acted knowledgeably, prudently" has been removed from the market Value definition.

**Realizable Value** is that minimum prospective estimated value of the asset/ property which it may be able to fetch at the time of actual property transaction factoring in the element of discount due to the prospects of deep negotiations between the buyer & seller when the parties in-principally find Fair Market Value reasonable and sits together to close the deal and the transaction across the table. Discount percentage on the Fair Market Value due to negotiation will depend on the nature, size, various salability prospects of the subject asset, the needs of the buyer & the seller and kind of payment terms. In some of the cases Realizable and Fair Market Value may also be equal.

**Distress Sale Value\*** is that value when the property is attached with any process such as mortgaged financing, financial or operational dues which is under any stress condition or situation and the stakeholders are under process of finding resolution towards it to save the property from being attached to a formal recovery process. In this type of sale, minimum fetch value assessed will always be less than the estimated Fair Market Value where the discount of percentage will depend upon various circumstances and factors such as nature, size, salability prospects of the property and kind of encumbrance on the property. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the property will be more on the seller than the buyer.

**Liquidation Value** is the amount that would be realized when an asset or group of assets are sold due to any compulsion or constraints such as in a recovery process guided by statute, law or legal process, clearance sale or any such condition or situation thereof where the pressure of selling the asset/ property is very high to realize whatever maximum amount can be from the sale of the assets in a limited time for clearance of dues or due to closure of business. In other words, this kind of value is also called as forced sale value.

**Difference between Cost, Price & Value:** Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also having different definitions in professional & legal terms. Therefore, it is our professional responsibility to describe the definitions of these words to avoid ambiguity & confusion in the minds of the user of this report.

The **Cost** of an asset represents the actual amount spend in the construction/ actual creation of the asset.





The **Price** is the amount paid for the procurement of the same asset.

The **Value** is defined as the present worth of future rights in the property/ asset and is a hypothetical or notional price that buyers and sellers are most likely to conclude for a good or service. Value is not a fact, but an estimate of the likely price to be paid for a good or service at a given time in accordance with a particular definition of value.

Therefore, in actual for the same asset/ property, cost, price & value remain different since these terms have different usage & meaning.

**18. Enclosures with the Report:**

- Enclosure: I – Google Map Location
- Enclosure: II - References on price trend of the similar related properties available on public domain
- Enclosure: III – Photographs of the property
- Enclosure: IV – Copy of Circle Guideline Rate
- Enclosure V: Important Property Documents Exhibit
- Enclosure VI: Annexure: VI - Declaration-cum-Undertaking
- Enclosure VII: Annexure: VII - Model code of conduct for valuers
- Enclosure VII: Part D - Valuer's Important Remarks





### **IMPORTANT NOTES**

**DEFECT LIABILITY PERIOD** - In case of any query/ issue or escalation you may please contact Incident Manager by writing at [valuers@rkassociates.org](mailto:valuers@rkassociates.org). We try our level best to ensure maximum accuracy in the Calculations done, Rates adopted and various other data points & information mentioned in the report but still can't rule out typing, human errors, assessment or any other mistakes. In case you find any mistake, variation, discrepancy or inaccuracy in any data point mentioned in the report, please help us by bringing all such points into our notice in writing at [valuers@rkassociates.org](mailto:valuers@rkassociates.org) within 30 days of the report delivery, to get these rectified timely, failing which R.K Associates shouldn't be held responsible for any inaccuracy in any manner. Also, if we do not hear back anything from you within 30 days, we will assume that the report is correct in all respect and no further claim of any sort will be entertained thereafter. We would welcome and appreciate your feedback & suggestions in order to improve our services.

Our **DATA RETENTION POLICY** is of **ONE YEAR**. After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.





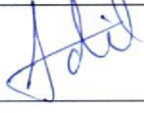
**COPYRIGHT FORMAT** - This report is prepared on the copyright format of R.K Associates to serve our clients in the best possible way. Legally no one can copy or distribute this format without prior approval from R.K Associates. It is meant only for the organization as mentioned on the cover page of this report. Distribution or use of this format or any content of this report wholly or partially other than R.K Associates will be seen as unlawful act and necessary legal action can be taken against the defaulters.

### **IF REPORT IS USED FOR BANK/ FIs**

**NOTE:** As per IBA Guidelines in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.

At our end we have not verified the authenticity of any documents provided to us. Bank is advised to verify the genuineness of the property documents before taking any credit decision.

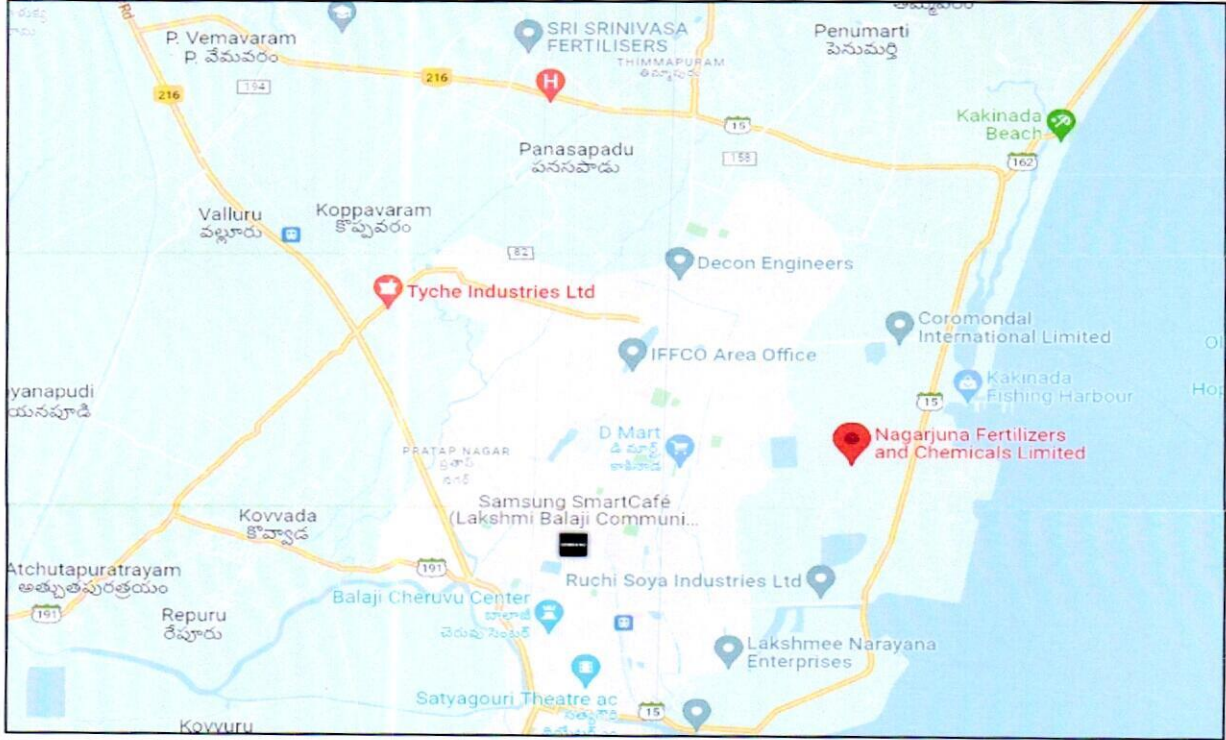
Valuation Terms of Services & Valuer's Important Remarks are available at [www.rkassociates.org](http://www.rkassociates.org) for reference.

SURVEY ANALYST	VALUATION ENGINEER	L1/ L2 REVIEWER
Mr. Tejas Bharadwaj and Mr. Manas Upmanyu	Mr. Tejas Bharadwaj and Mr. Manas Upmanyu	Mr. Adil Afaque
 	 	






**ENCLOSURE: I – GOOGLE MAP LOCATION**





## ENCLOSURE: II - REFERENCES ON PRICE TREND OF THE NEARBY SIMILAR RELATED PROPERTIES AVAILABLE ON PUBLIC DOMAIN



Farm / Agriculture land for sale in gollaprolu

**₹ 4.4 Cr** 4 acres  
7,253 sq.ft (16187 sq.m) Plot Area


Agricultural land of 4 acres is road side property and situated in tataparti fc godown road, gollaprolu [less](#)

READY TO MOVE RESALE AGRICULTURAL/FARM LAND

Posted on 16th Jan, 2022 by Owner  
vinodh

[View Phone Number](#) [Contact Owner](#)

ONLY ON MAGICBRICKS

 No Image Available

Posted: May 06, '22  
Owner: Mr Suresh

**Agricultural Land for Sale in Turangi**


PLOT AREA 21600 sqft TRANSACTION Resale BOUNDARY No

2400 Sq-yrd Agricultural Land is available for Sale in Turangi...  
[Read more](#)

**₹1.50 Cr**  
₹ 694 per sqft

[Contact Owner](#) [Get Phone No.](#) [Share Feedback](#)

ONLY ON MAGICBRICKS

 No Image Available

Posted: Apr 19, '22  
Owner: SRI


**Agricultural Land for Sale in Pithapuram**

PLOT AREA 479200 sqft TRANSACTION Resale OPEN SIDES 3

11 Acre Agricultural Land is available for Sale in , Kakinada for 1...  
[Read more](#)

**₹15 Cr**  
₹ 313 per sqft

[Contact Owner](#) [Get Phone No.](#) [Share Feedback](#)

 4+

Posted: 3 months ago  
Owner: Sivakrishna Manga

**Agricultural Land for Sale in Vakalapudi**

PLOT AREA 65030 sqft OWNERSHIP Freehold TRANSACTION Resale

we are summited expected price only land present card value...  
[Read more](#)

**₹13.72 Cr**  
₹ 2111 per sqft

[Contact Owner](#) [Get Phone No.](#) [Share Feedback](#)





Posted: Jun 27, '22

Owner: Narayana

ONLY ON MAGICBRICKS

**Agricultural Land for Sale in Samarlakota**

PLOT AREA: 43560 sqft

OWNERSHIP: Freehold

TRANSACTION: Resale

₹ 60 Lac  
₹ 138 per sqft

Contact Owner

Get Phone No.

Share Feedback

1 Acre Agricultural Land is available for Sale in Samarlakota, Ka...  
[Read more](#)



Posted: Jun 04, '22

Owner: Vinodh

ONLY ON MAGICBRICKS

**Agricultural Land for Sale in Gollaprolu**

PLOT AREA: 174200 sqft

TRANSACTION: Resale


₹ 4.40 Cr  
₹ 253 per sqft

Contact Owner

Get Phone No.

Share Feedback

4 Acre Agricultural Land is available for Sale in , Kakinada for 4...  
[Read more](#)



**₹ 30,00,000**

24 17cents for sale in pavara .agricultural land...  
Kakinada

Vakalapudi, Kakinada, Andhra Pradesh

Feb 25


Seller description

**Siri**  
Member since Jun 2020

Chat with seller

Posted in

Vakalapudi, Kakinada, Andhra Pradesh



**₹ 55,00,000**

Agricultural land for Sale

Kovvada Kakinada, Andhra Pradesh

7 days ago

Seller description

**Venkat Hate Ration**  
Member since Jul 2019

Chat with seller

Posted in

Kovvada Kakinada, Andhra Pradesh

AD ID 1693706118

REPORT THIS AD

**Details**

Type	For Sale	Listed By	Owner
Plot Area	5	Length	5
Breadth	5	Project Name	Agricultural land in best price

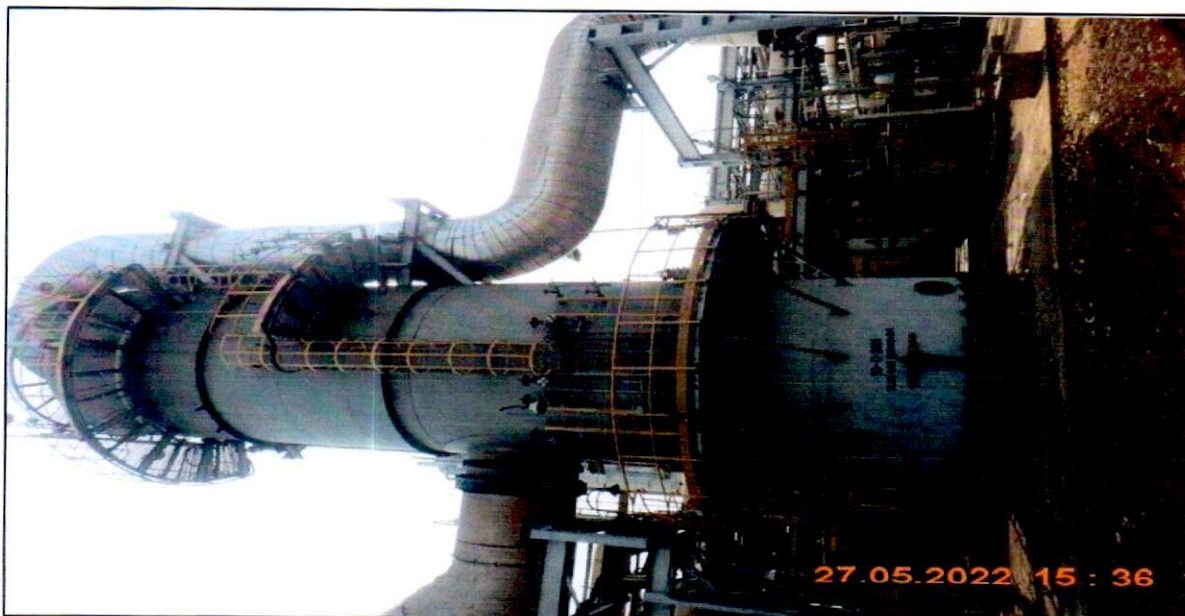
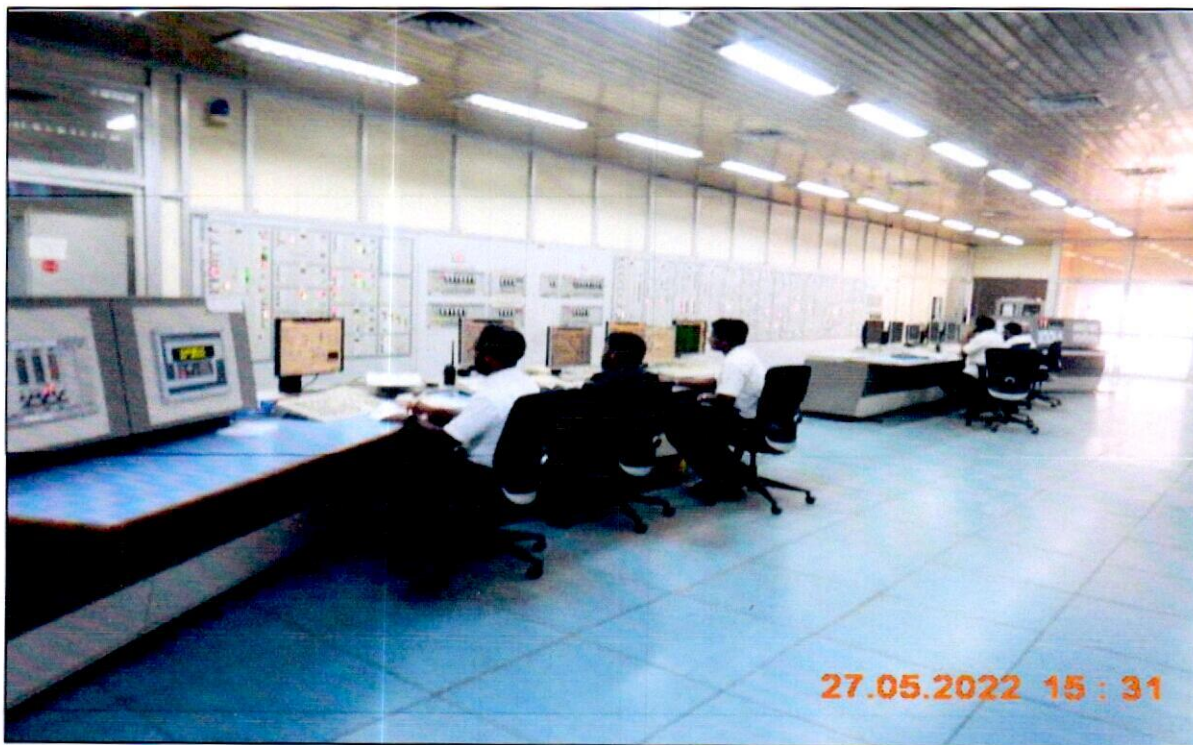
**Description**

A private layout in Achuthapuram triyam village near Kakinada and a 5-kuncha field closest to The Viceroy's Jagannanna Colony are available for sale. 5 kunchas 55,00,000 at the rate of 1 inch 11 locks. Only Genuine Buyers can be contacted.



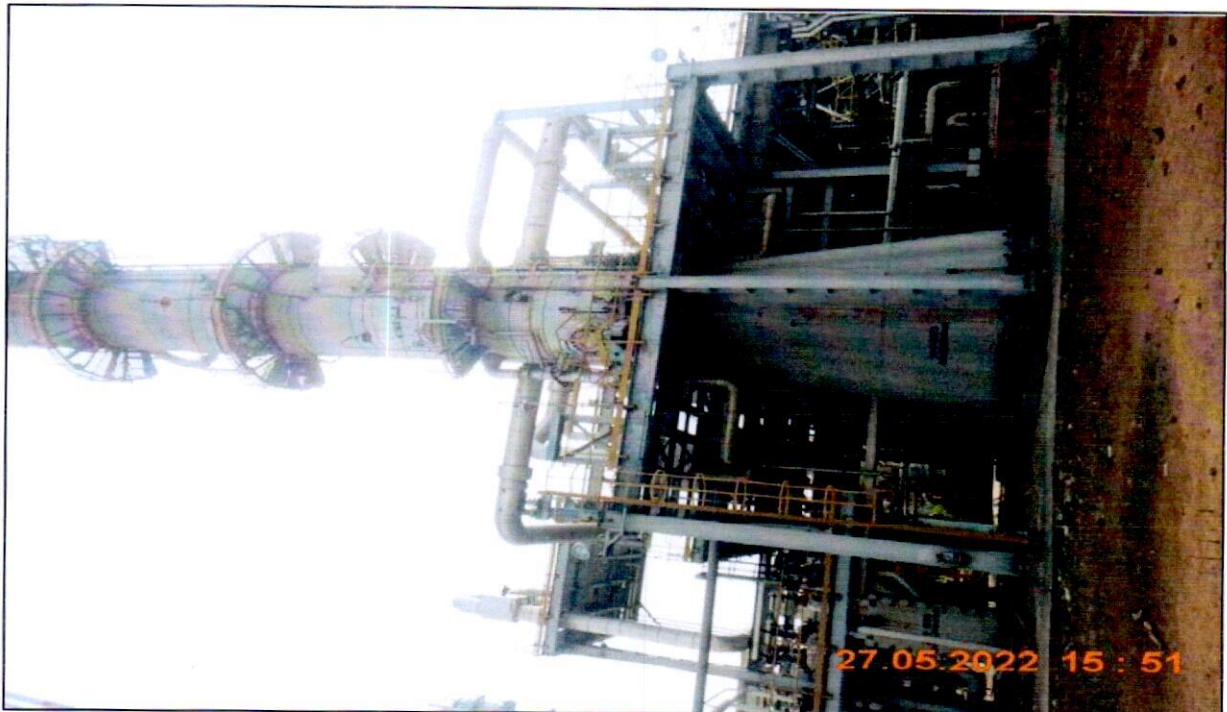
**ENCLOSURE: III – PHOTOGRAPHS OF THE PROPERTY**

**Plant 1:**





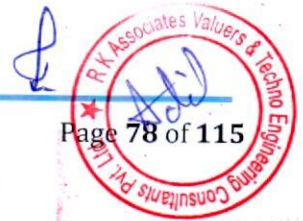
**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 78 of 115



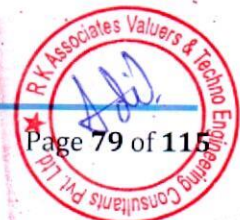


**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



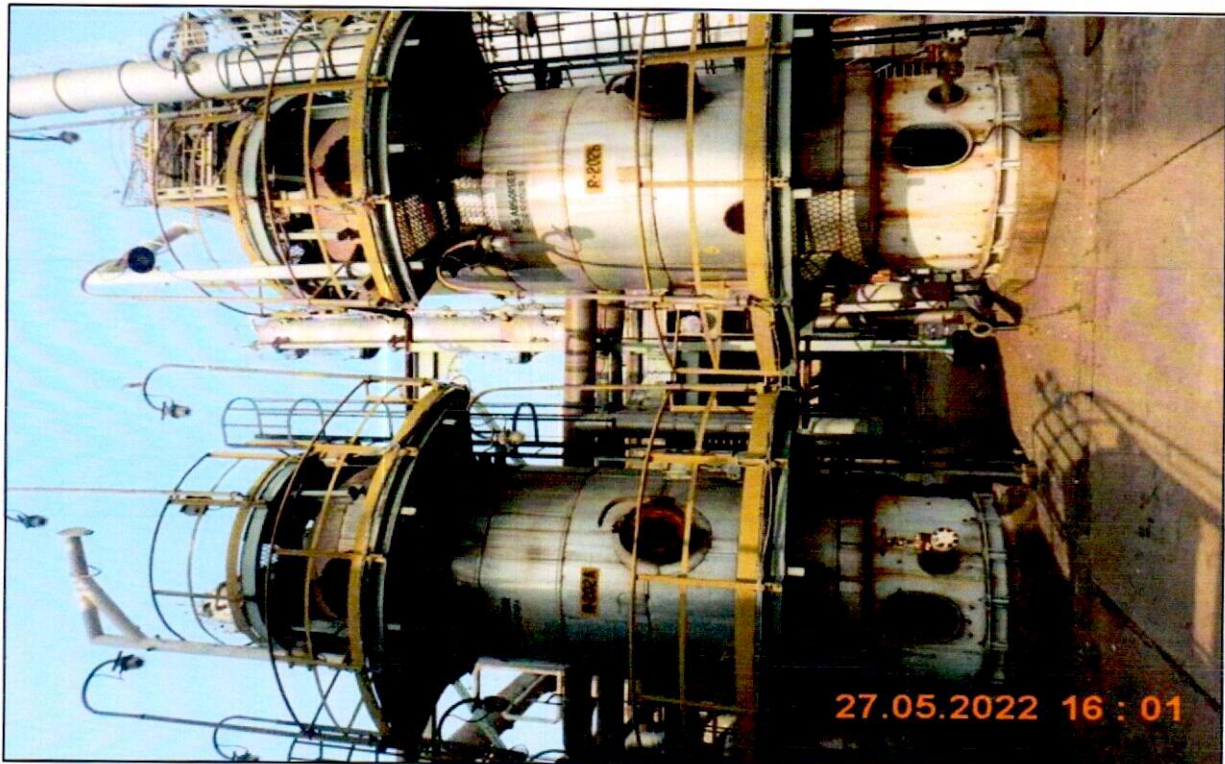
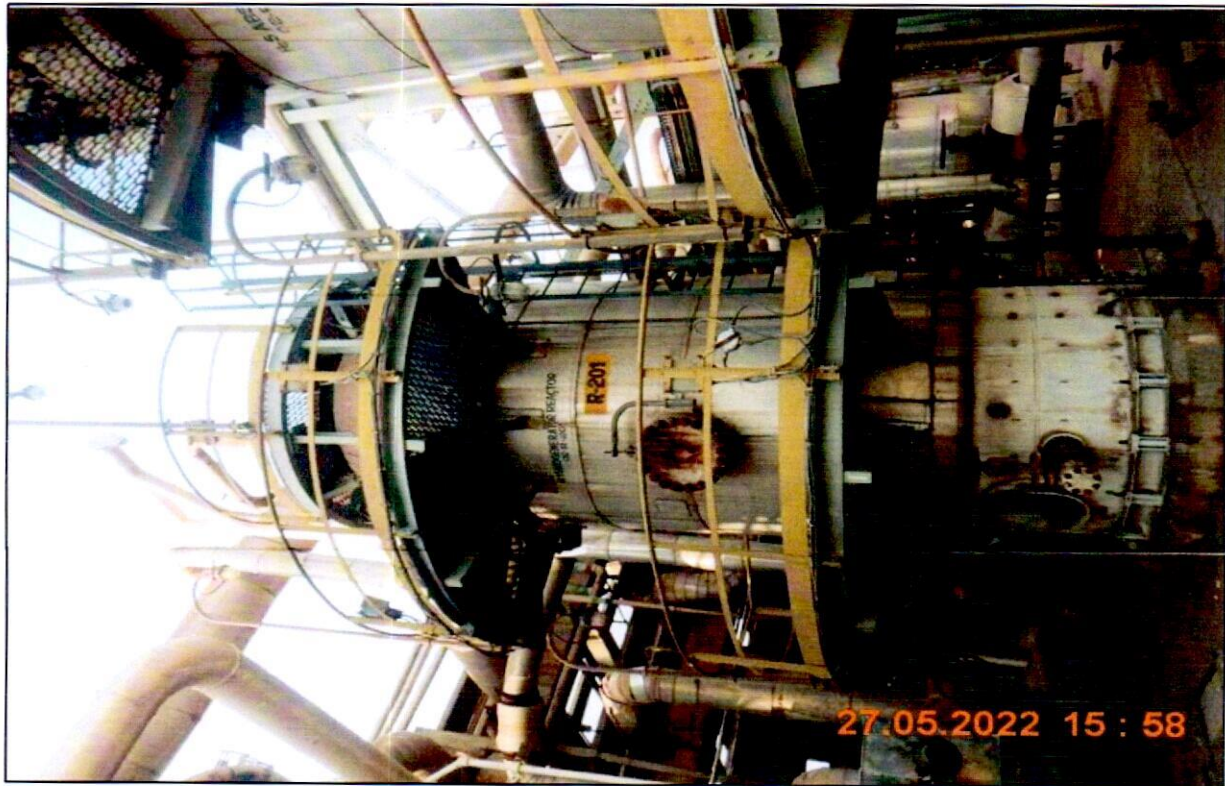
CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)





**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 80 of 115



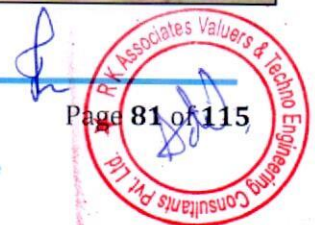




CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 81 of 115





**VALUATION ASSESSMENT**  
**M/S NAGARJUNA FERTILIZERS AND CHEMICALS**  
**LIMITED**



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 82 of 115





**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)







CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)













**Plant 2:**



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)





**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)











CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)



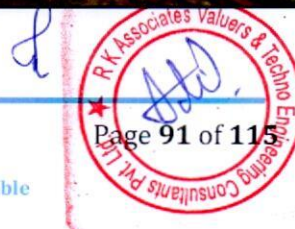


**BAGGING PLANT AREA:**



CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)



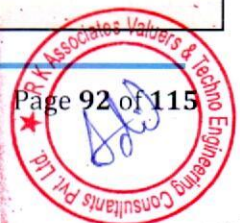




CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 92 of 115











**OTHER NON PLANT AREA:**

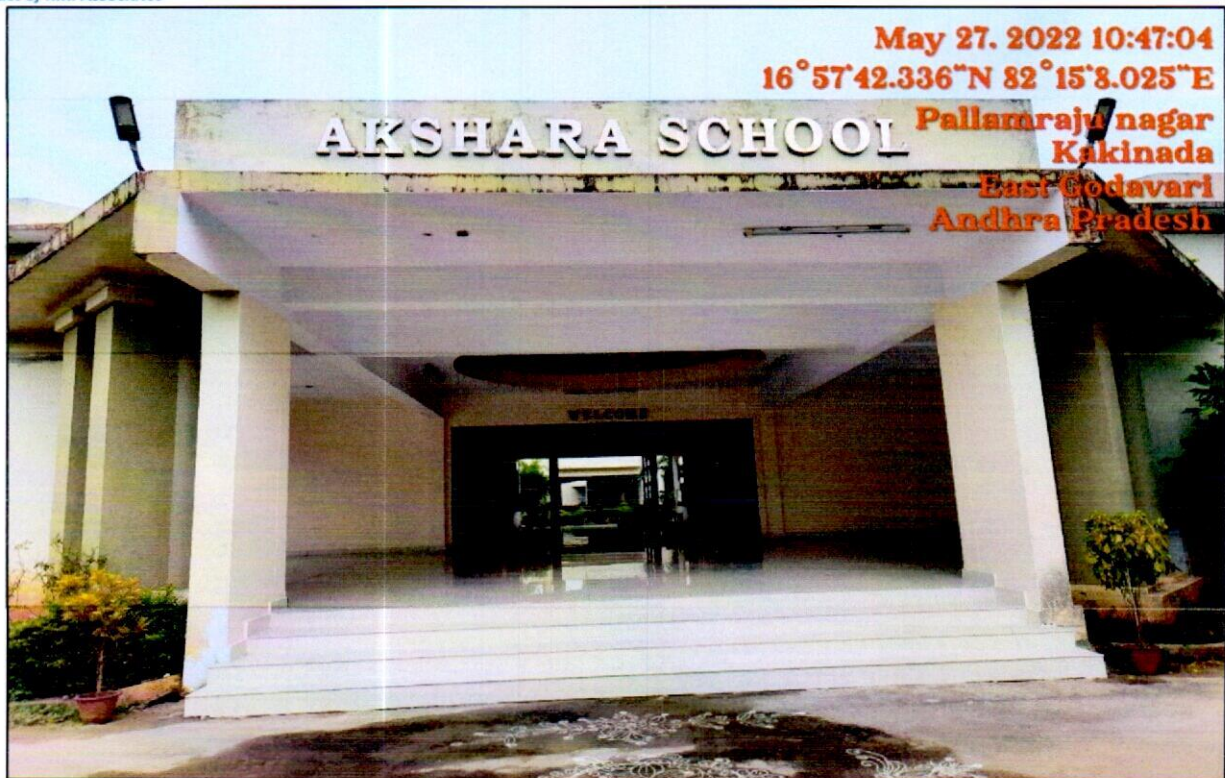


CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)



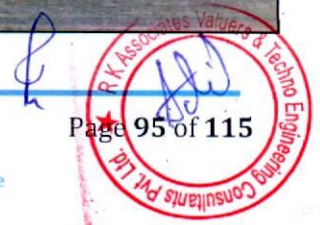




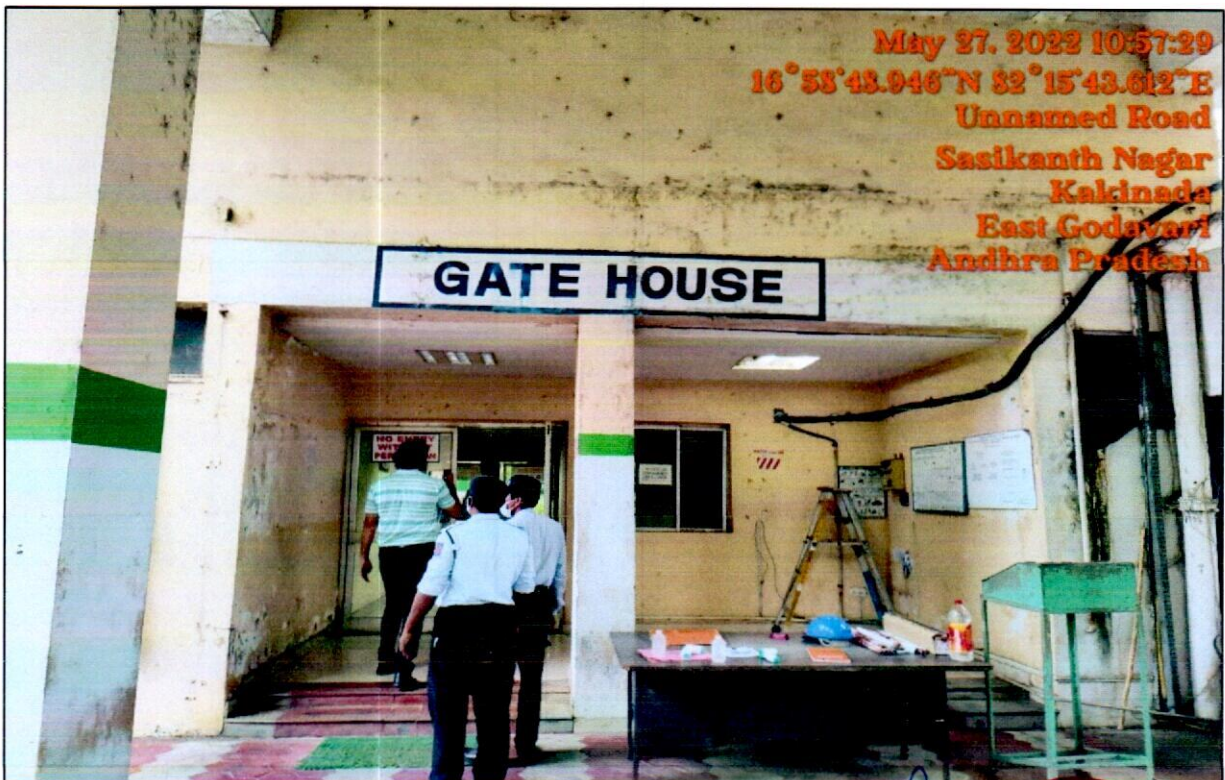
CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 95 of 115







CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)





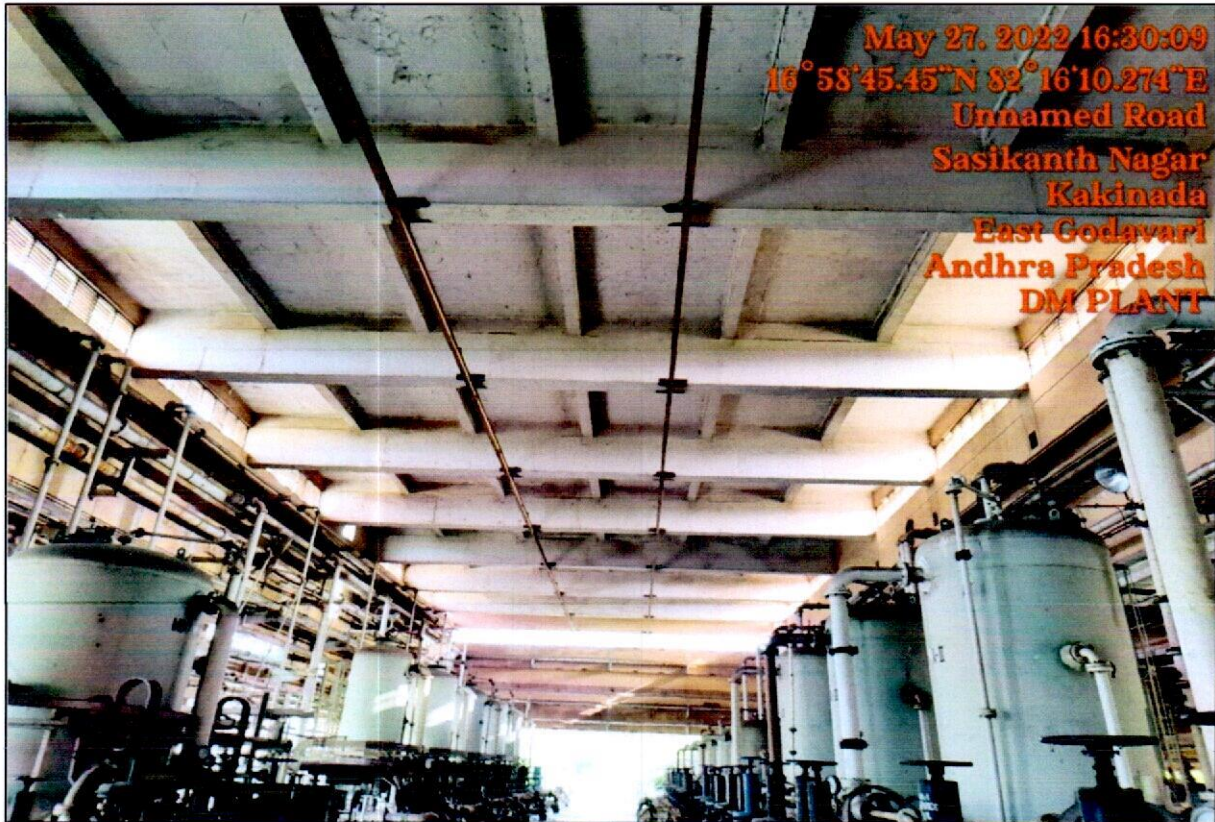


CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)







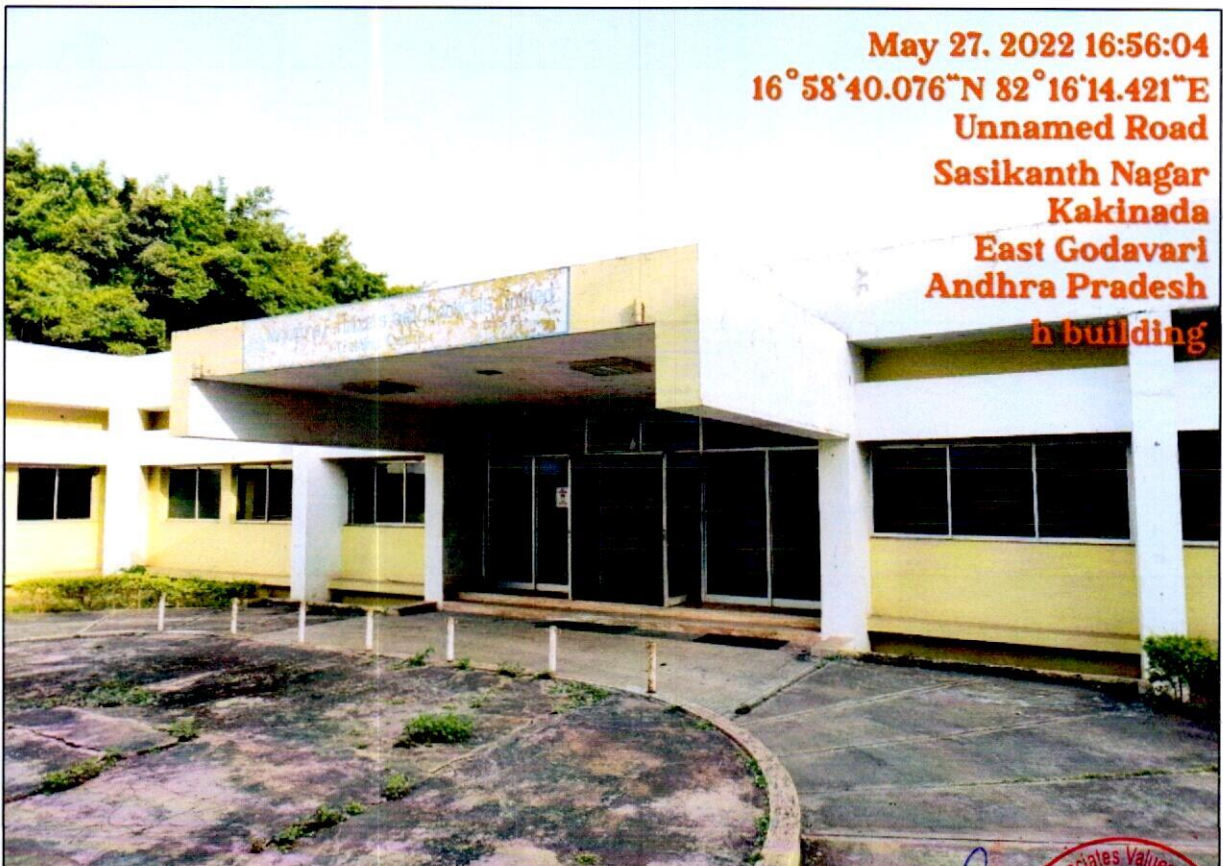
CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 98 of 115







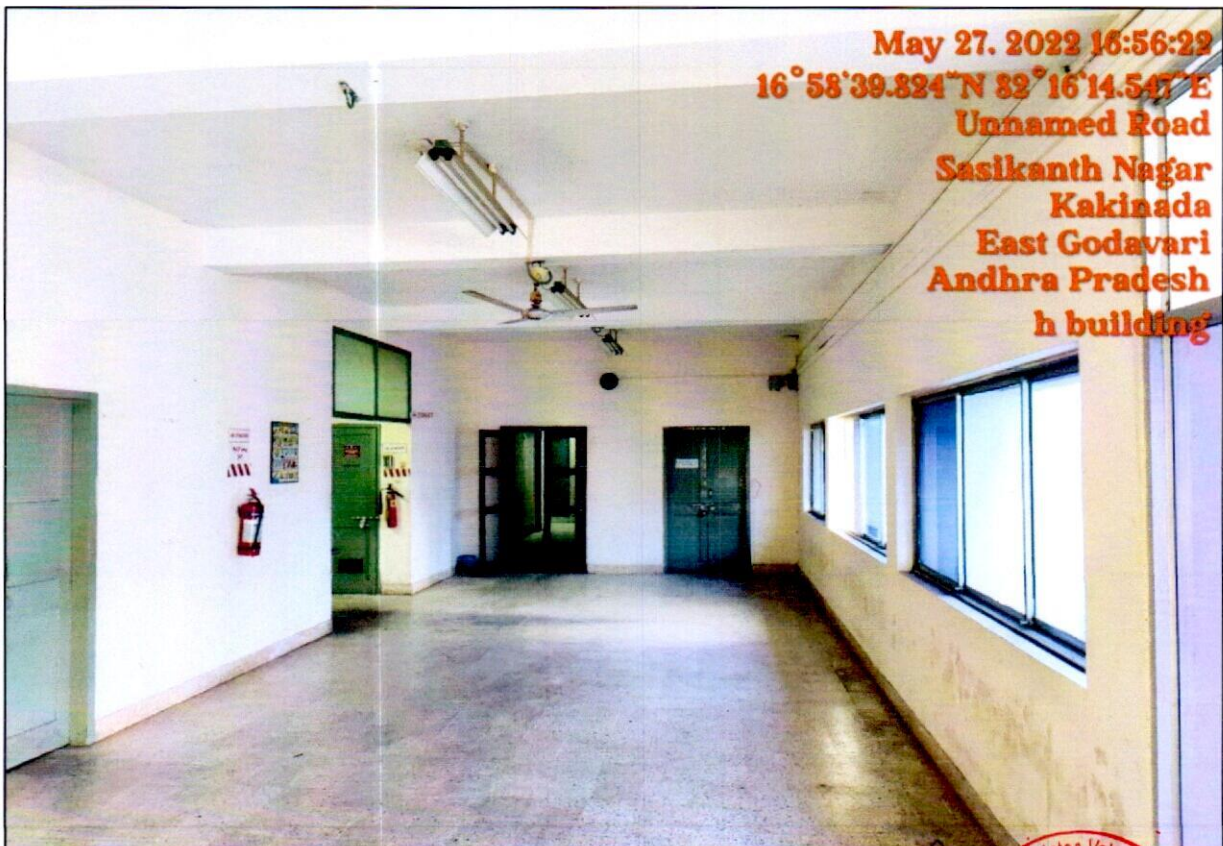
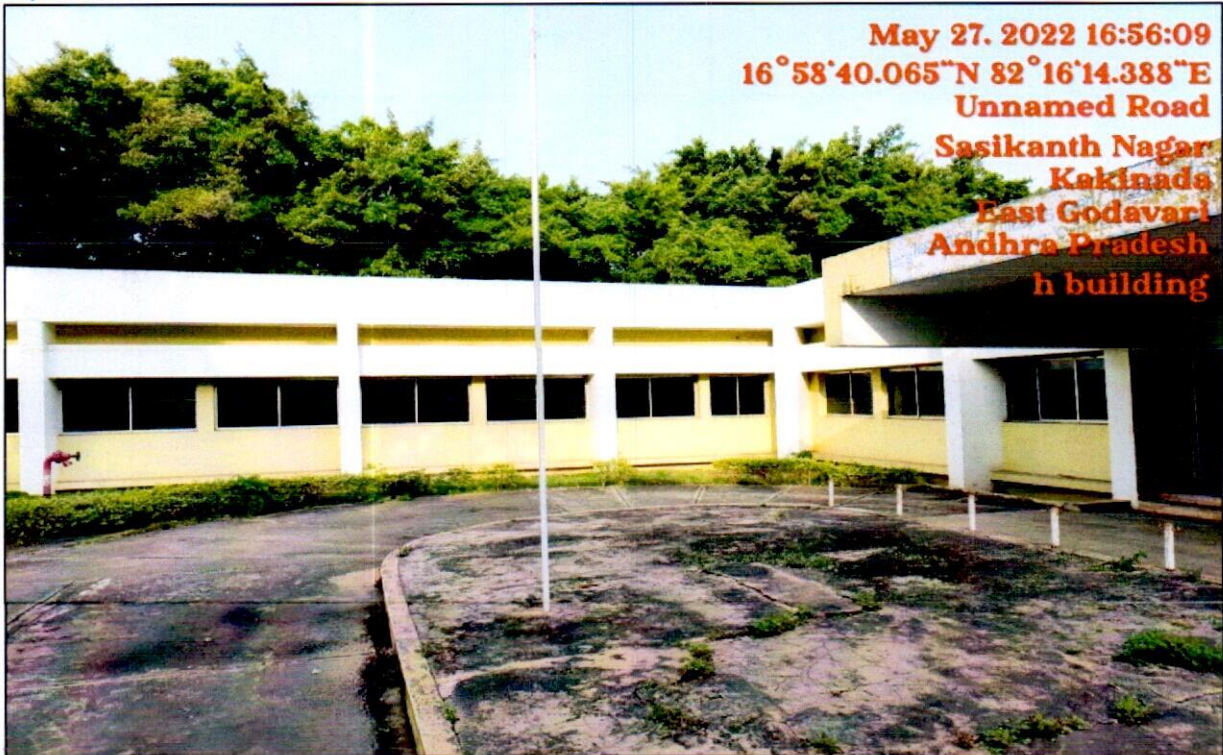
CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 99 of 115







CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

















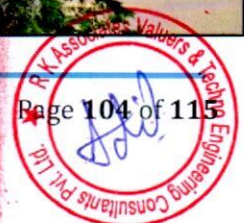
**VALUATION ASSESSMENT**  
M/S NAGARJUNA FERTILIZERS AND CHEMICALS  
LIMITED



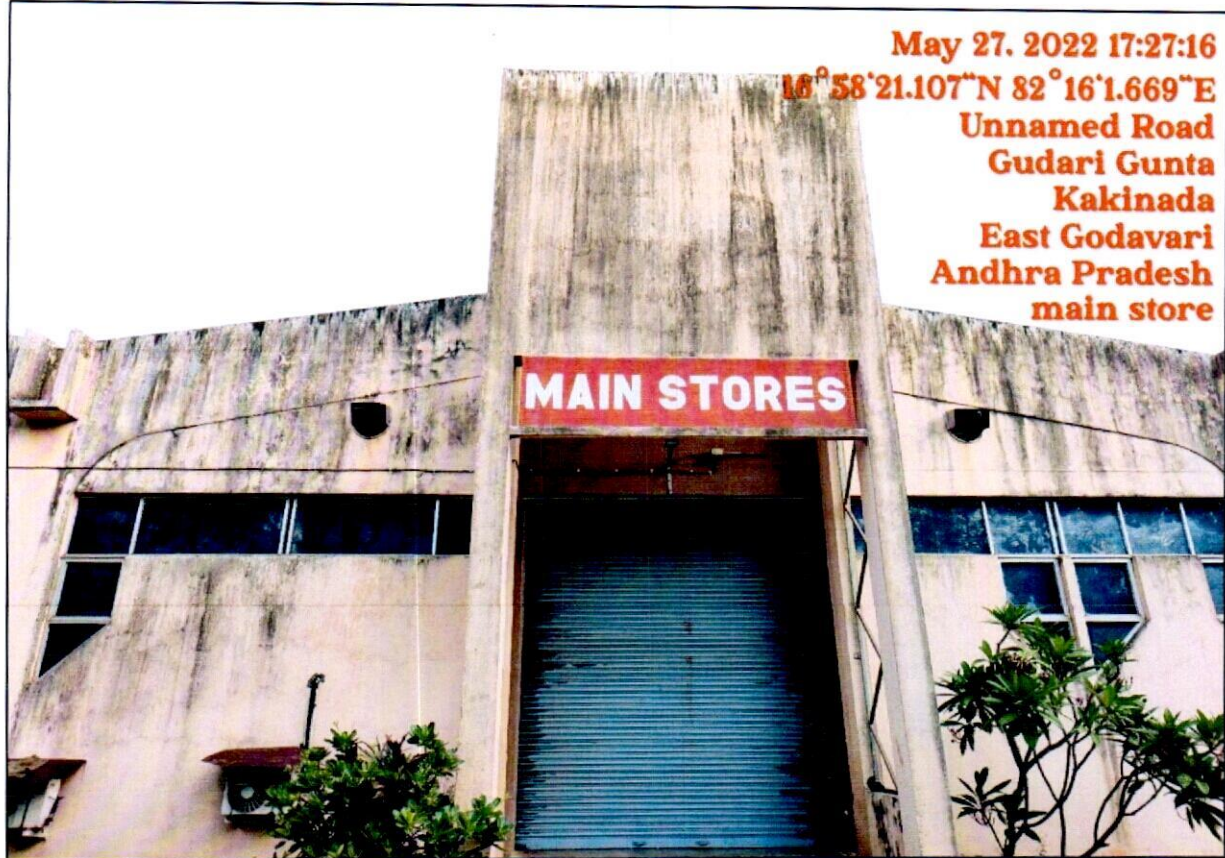
CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)

Page 104 of 115







CASE NO.: VIS(2022-23)-PL112-096-151

Valuation Terms of Service & Valuer's Important Remarks are available  
at [www.rkassociates.org](http://www.rkassociates.org)





**ENCLOSURE: IV – COPY OF CIRCLE RATE**

UNIT RATES - VILLAGE WISE					
District Name		EAST GODAVARI		Mandal Name	
City/Town/Village		SURYARAOPETA (PART)		KAKINADA (RURAL)	
		Survey No.		Select v To view Survey No. Wise Details	
S.No.	Habitation	Nature Of Use	Land Rate Rs. per Acre	Effective Date (dd/mm/yyyy)	
1.	INDRA PALEM	Dry land	48,400,000	10/08/2020	
2.	S.ATCHUTA PURAM	Dry land	48,400,000	10/08/2020	
3.	INDRA PALEM	Wet Land double crop	48,400,000	10/08/2020	
4.	S.ATCHUTA PURAM	Wet Land double crop	48,400,000	10/08/2020	
5.	S.ATCHUTA PURAM	House Sites	48,400,000	10/08/2020	
6.	INDRA PALEM	House Sites	48,400,000	10/08/2020	
7.	S.ATCHUTA PURAM	Agricultural Land fit for H.S.	48,400,000	10/08/2020	
8.	INDRA PALEM	Agricultural Land fit for H.S.	48,400,000	10/08/2020	

UNIT RATES - LOCALITY WISE

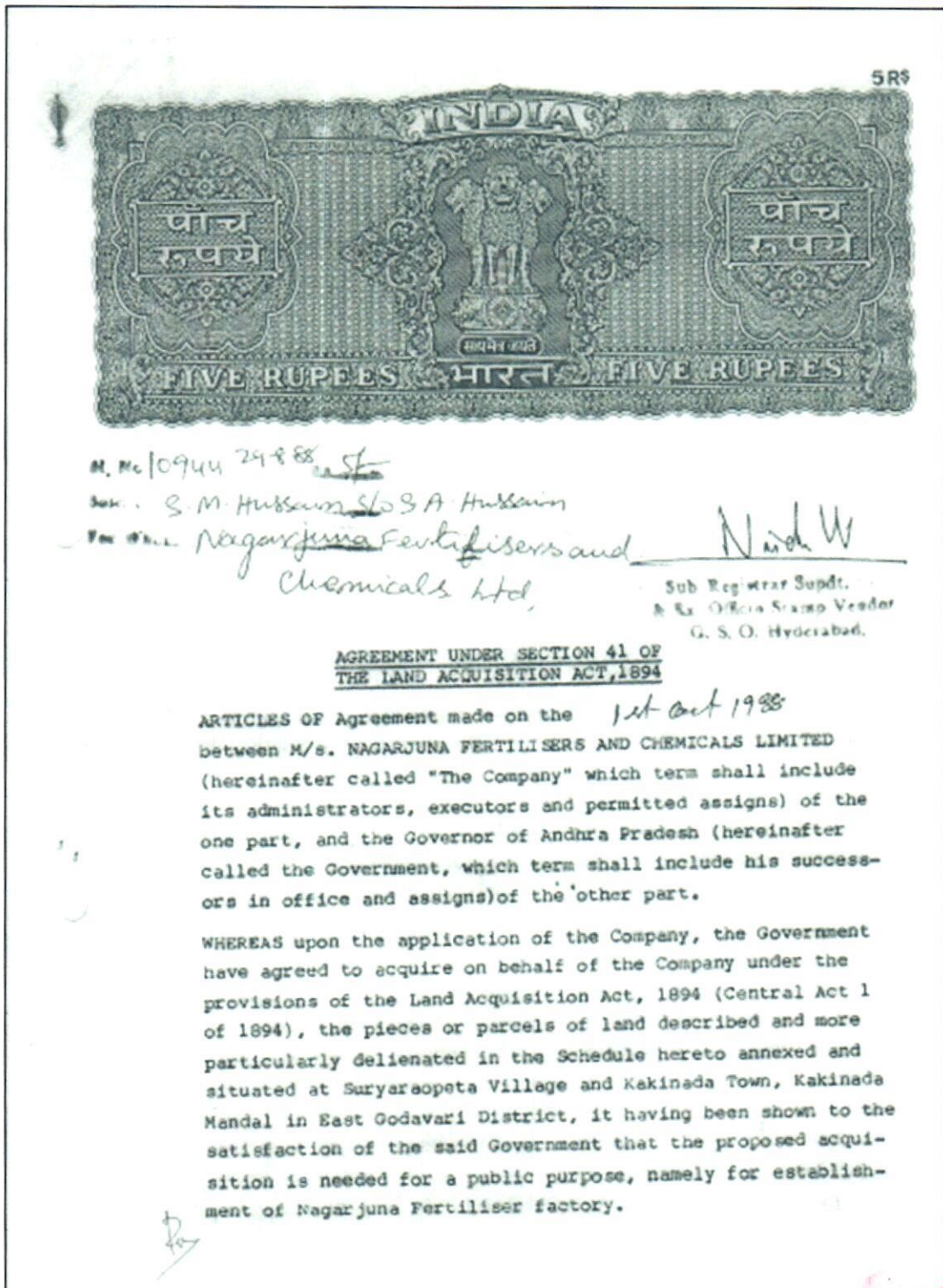
District Name	EAST GODAVARI	Mandal Name	KAKINADA (RURAL)
City/Town/Village	SURYARAOPETA (PART)		

S.No.	Ward-Block	Locality	Land Rate Rs. per Sq.Yard	Composite Rate Rs. Per Sq.Ft.			Classification	Effective Date (dd/mm/yyyy)	Door No. Wise Details Rates
				Ground Floor	First Floor	Other Floors			
1.	0 - 5	S ATCHUTAPURAM-1#1 to 500	10,000	1,800	1,800	1,800	01(Residential)	01/08/2019	<a href="#">Get</a>
2.	0 - 1	INDRAPALEM-1#1 to 1000	10,000	1,800	1,800	1,800	01(Residential)	01/08/2019	<a href="#">Get</a>
3.	0 - 1	S ATCHUTAPURAM-1#1 to 500	10,000	1,800	1,800	1,800	01(Residential)	01/08/2019	<a href="#">Get</a>
4.	0 - 1	SURYARAOPETA-1#1 to 500	10,000	1,800	1,800	1,800	01(Residential)	01/08/2019	<a href="#">Get</a>





**ENCLOSURE V: IMPORTANT PROPERTY DOCUMENTS EXHIBIT**





**SCHEDULE**

Registration District: East Godavari  
Sub-District: : Kakinada Mandal  
Suryasaopeta (Kakinada Municipality) Village

Sl. No.	Description of Land	Survey No.	Extent
			Ac. Cts
1.	Dry	S.No.240/1	2-73
2.	Dry	S.No.240/2	1-41
3.	Dry	S.No.240/4	1-09
4.	Dry	S.No.240/5	0-51
5.	Dry	S.No.240/6	0-02
6.	Dry	S.No.240/8	0-20
7.	Dry	S.No.240/9	6-35
8.	Dry	S.No.241/9	5-63
9.	Dry	S.No.241/10	1-23
10.	Dry	S.No.241/11	0-96
11.	Dry	S.No.241/12	0-44
12.	Dry	S.No.241/13	0-39
13.	Dry	S.No.241/14	0-05
14.	Dry	S.No.242/3	7-19
15.	Dry	S.No.242/4	0-52
16.	Dry	S.No.243/2	0-16
17.	Dry	S.No.273/1	0-56
18.	Dry	S.No.273/2	0-54
19.	Dry	S.No.273/3	0-53
20.	Dry	S.No.273/4	0-28
21.	Dry	S.No.273/5	0-30
22.	Dry	S.No.273/6	1-54
23.	Dry	S.No.273/7	1-80
24.	Dry	S.No.273/9	0-59
25.	Dry	S.No.273/10	2-99

Contd...





-: 2 :-

Sl. No.	Description of Land	Survey No.	Extent Ac.Cts.
26.	Dry	S.No.274	4-35
27.	Dry	S.No.275	2-88
28.	Dry	S.No.276	2-84
29.	Dry	S.No.277/1	2-87
30.	Dry	S.No.278/1	2-10
31.	Dry	S.No.279/1	3-09
32.	Dry	S.No.298/1	7-23
Total ac.			63-37







**BHAMIDIPATI VENKATA RAMASARMA**

**ADVOCATE**  
Standing Counsel for Banks & Institutions

B.Com., B.L.,

(O) : 0884 - 2375844

Cell : 92465 89838

98492 89838

e-mail : bhamidipati55@gmail.com

Off. & Res : D.No.: 25-4-50/1, Kommireddy Street, Beside Town Bank, Balaji Cheruvu Centre,  
KAKINADA - 533 001. East Godavari District, A.P.

DL06-03-2017

To

IDBI

MUMBAI

HEAD OFFICE

TITLE SEARCH INVESTIGATION REPORT

A. Name of the Proposed Borrower:- NFCL, Corporate Office at  
Hyderabad'

B. Name of the Mortgagor :- NFCL, Corporate Office at  
Hyderabad

LIST OF DOCUMENTS SCRUTINIZED

Sl No.	Date of Document	Name of Document	Whether original/certified/true copy / Photostat
1.	23-07-1987	Land Acquisition Award of Revenue Divisional Officer, Kakinada in Award No.4/1988 dt.01-07-1988 along with Orders of Joint Secretary to Government of Andhra Pradesh vide GS.NO.792 along with gazette publication as published by District Collectorate, East Godavari District, Kakinada.	Photostat Copy
2.	19-10-1988	Land Acquisition Award of Revenue Divisional Officer, Kakinada in Award No.10/1988 dt.01-07-1988	Photostat Copy
3.	01-09-1992	Land Acquisition Award of Revenue Divisional Officer, Kakinada in Award No.1/1992 dt.01-09-1992	Photostat Copy





**ENCLOSURE VI: NET PROFIT OF FERTILIZER SECTOR**

<b>Fertilizers</b>				
Net Profit as per the latest Profit & Loss Account available.				
Company Name	Last Price	Change	% Change	Net Profit (Rs. cr)
GNFC	619.20	7.00	1.14	1,703.75
Coromandel Int	961.75	-8.85	-0.91	1,412.45
Chambal Fert	300.90	1.85	0.62	1,287.12
GSFC	138.25	1.35	0.99	890.90
Tata Chemicals	845.70	4.60	0.55	786.50
Rashtriya Chem	80.50	-0.70	-0.86	683.13
Paradeep Phosp	41.60	0.40	0.97	397.84
Fert and Chem	97.85	-0.90	-0.91	353.28
Deepak Fert	627.60	-5.75	-0.91	197.78
SPIC	49.45	0.05	0.10	140.43
NFL	42.50	-0.35	-0.82	108.20
Mangalore Chem	117.65	-0.80	-0.68	87.86
Rama Phosphates	285.95	-3.45	-1.19	70.04
Aries Agro	119.05	0.45	0.38	19.02
Basant Agro Tec	21.80	-0.10	-0.46	18.99
Zuari Ind.	140.40	-1.00	-0.71	15.30
Shiva Global	100.00	0.85	0.86	12.11
Madras Fert	45.15	-0.05	-0.11	2.87
Bharat Agri	386.50	9.85	2.62	0.51
Zuari Agro Chem	145.00	0.65	0.45	-83.45
Nagarjuna Fert	8.50	-0.27	-3.08	-669.91

Source: <https://www.moneycontrol.com/stocks/marketinfo/netprofit/bse/fertilizers.html>





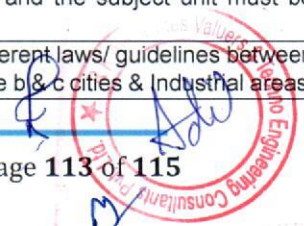
**PART L**

**ENCLOSURE VIII: VALUER'S IMPORTANT REMARKS**

1.	Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown/ identified to us on the site unless otherwise mentioned in the report of which some reference has been taken from the information/ data given in the copy of documents provided to us and informed verbally or in writing out of the standard checklist of documents sought from the client & its customer which they could provide within the reasonable expected time out of the standard checklist of documents sought from them and further based on certain assumptions and limiting conditions. The information, facts, documents, data which has become primary basis of the report has been supplied by the client which has been relied upon in good faith and is not generated by the Valuer.
2.	The client/ owner and its management/ representatives warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us either verbally, in writing or through documents has been relied upon in good faith and we have assumed that it is true & correct without any fabrication or misrepresentation. I/We shall not be held liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents.
3.	Legal aspects for eg. Investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents provided to us such as title documents, Map, etc. from any concerned Govt. office etc. have to be taken care by legal expert/ Advocate and same is not done at our end. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4.	In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information provided to us by the client during the course of the assessment.
5.	Getting cizra map or coordination with revenue officers for site identification is a separate activity and is not part of the Valuation services and same has not been done in this report unless otherwise stated.
6.	Wherever any details are mentioned in the report in relation to any legal aspect of the property such as name of the owner, leases, etc. is only for illustration purpose and should not be construed as a professional opinion. Legal aspects are out of scope of this report. Details mentioned related to legal aspect are only based on the copy of the documents provided to us and whatever we can interpret as a non-legally trained person. This should be cross validated with a legal expert. We do not vouch any responsibility regarding the same
7.	We have made certain assumptions in relation to facts, conditions & situations affecting the subject of, or approach to this exercise that has not been verified as part of the engagement rather, treated as "a supposition taken to be true". If any of these assumptions prove to be incorrect then our estimate on value will need to be reviewed.
8.	This is just an opinion report based on technical & market information having general assessment & opinion on the indicative, estimated Market Value of the property for which Bank has asked to conduct the Valuation. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
9.	We have relied on the data from third party, external sources & information available on public domain to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on the data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data is extracted from authentic sources, however we still can't vouch its authenticity, correctness, or accuracy.
10.	Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.
11.	Value varies with the Purpose/ Date/ Asset Condition & situation/ Market condition, demand & supply, asset utility prevailing on a particular date/ Mode of sale. The indicative & estimated prospective Value of the asset given in this report is restricted only for the purpose and other points mentioned above prevailing on a particular date as mentioned in the report. If any of these points are different from the one mentioned aforesaid in the Report then this report should not be referred.
12.	Our report is meant ONLY for the purpose mentioned in the report and should not be used for any other purpose. The Report should not be copied or reproduced for any purpose other than the purpose for which it is prepared for. I/we do not take any responsibility for the unauthorized use of this report.
13.	We owe responsibility only to the authority/client that has appointed us as per the scope of work mentioned in the report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents.

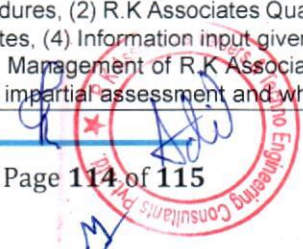


14.	This report is having limited scope as per its fields & format to provide only the general basic idea of the value of the property prevailing in the market based on the site inspection and documents/ data/ information provided by the client. The suggested indicative prospective estimated value should be considered only if transaction is happened <u>as free market transaction</u> .
15.	The sale of the subject property is assumed to be on an all cash basis. Financial arrangements would affect the price at which the property may sell for if placed on the market.
16.	The actual realizable value that is likely to be fetched upon sale of the asset under consideration shall entirely depend on the demand and supply of the same in the market at the time of sale.
17.	While our work has involved an analysis & computation of valuation, it does not include detailed estimation, design/ technical/ engineering/ financial/ structural/ environmental/ architectural/ compliance survey/ safety audit & works in accordance with generally accepted standards of audit & other such works. The report in this work is not investigative in nature. It is mere an opinion on the likely estimated valuation based on the facts & details presented to us by the client and third party market information came in front of us within the limited time of this assignment, which may vary from situation to situation.
18.	Where a sketched plan is attached to this report, it does not purport to represent accurate architectural plans. Sketch plans and photographs are provided as general illustrations only.
19.	Documents, information, data including title deeds provided to us during the course of this assessment by the client is reviewed only upto the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work. These are not reviewed in terms of legal rights for which we do not have expertise. Wherever any information mentioned in this report is mentioned from the documents like owners name, etc., it is only for illustration purpose and may not necessary represent accuracy.
20.	The report assumes that the borrower/company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets is managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with relevant laws, and litigations and other contingent liabilities that are not recorded/reflected in the documents/ details/ information/ data provided to us.
21.	This valuation report is not a qualification for accuracy of land boundaries, schedule (in physical terms), dimensions & identification. For this land/ property survey report can be sought from a qualified private or Govt. surveyor.
22.	This Valuation report is prepared based on the facts of the property on the date of the survey. Due to possible changes in market forces, socio-economic conditions, property conditions and circumstances, this valuation report can only be regarded as relevant as at the valuation date. Hence before financing, Banker/ FI should take into consideration all such future risk and should loan conservatively to keep the advanced money safe in case of the downward trend of the property value.
23.	Valuation of the same asset/ property can fetch different values under different circumstances & situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will have considerable lower value. Similarly, an asset sold directly by an owner in the open market through free market transaction then it will fetch better value and if the same asset/ property is sold by any financier due to encumbrance on it, will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing and take decision accordingly.
24.	Valuation is done for the property identified to us by the owner/ owner representative. At our end we have just visually matched the land boundaries, schedule (in physical terms) & dimensions of the property with reference to the documents produced for perusal. Method by which identification of the property is carried out is also mentioned in the report clearly. Responsibility of identifying the correct property to the Valuer/ its authorized surveyor is solely of the client/ owner for which Valuation has to be carried out. It is requested from the Bank to cross check from their own records/ information if this is the same property for which Valuation has to be carried out to ensure that owner has not misled the Valuer company or misrepresented the property due to any vested interest. Where there is a doubt about the precision position of the boundaries, schedule, dimensions of site & structures, it is recommended that a Licensed Surveyor be contacted.
25.	In India more than 70% of the geographical area is lying under rural/ remote/ non municipal/ unplanned area where the subject property is surrounded by vacant lands having no physical demarcation or having any display of property survey or municipal number / name plate on the property clearly. Even in old locations of towns, small cities & districts where property number is either not assigned or not displayed on the properties clearly and also due to the presence of multiple/ parallel departments due to which ownership/ rights/ illegal possession/ encroachment issues are rampant across India and due to these limitations at many occasions it becomes tough to identify the property with 100% surety from the available documents, information & site whereabouts and thus chances of error, misrepresentation by the borrower and margin of chances of error always persists in such cases. To avoid any such chances of error it is advised to the Bank to engage municipal/ revenue department officials to get the confirmation of the property to ensure that the property shown to Valuer/ Banker is the same as for which documents are provided.
26.	If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report and this report will be made for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township and the subject unit must be approved in all respect.
27.	Due to fragmented & frequent change in building/ urban planning laws/ guidelines from time to time, different laws/ guidelines between regions/ states and no strict enforceability of Building Bye-Laws in India specially in non-metro and scale b & c cities & industrial areas,





	property owners many times extend or make changes in the covered area/ layout from the approved/ applicable limits. There are also situations where properties are decades old when there was no formal Building Bye-Laws applicable the time when the construction must have been done. Due to such discrete/ unplanned development in many regions sometimes it becomes tough for the Valuer to determine the exact lawful situation on ground. Unless otherwise mentioned in the report, the covered area present on the site as per site survey will be considered in the Valuation.
28.	Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated.
29.	Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.
30.	Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various data point/ information/ factors/ assumption considered by the consultant which became the basis for the Valuation report before reaching to any conclusion.
31.	Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range.
32.	Value analysis of any asset cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. Therefore, there can be no standard formula to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers, demand & supply prevailing in the market and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to take informed and wise decision about the Value of the asset and can help in facilitating the arm's length transaction.
33.	This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component, or item wise analysis. Analysis done is a general assessment and is not investigative in nature.
34.	This report is prepared on the RKA V-L1 (Basic) Valuation format as per the client requirement and scope of work. This report is having limited scope as per its fields & format to provide only the general estimated & indicative basic idea of the value of the property prevailing in the market based on the information provided by the client. No detailed analysis, audit or verification has been carried out of the subject property. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.
35.	This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Client/ Bank/ Financial Institution which is using this report for mortgaging the property that they should consider all the different associated relevant & related factors & risks before taking any business decision based on the content of this report.
36.	All Pages of the report including annexures are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
37.	As per IBA Guidelines & Bank Policy, in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.
38.	<b>Defect Liability Period is 15 DAYS.</b> We request the concerned authorized reader of this report to check the contents, data, information, and calculations in the report within this period and intimate us in writing at <a href="mailto:valuers@rkassociates.org">valuers@rkassociates.org</a> within 15 days of report delivery, if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. After this period no concern/ complaint/ proceedings in connection with the Valuation Services will be entertained due to possible change in situation and condition of the property.
39.	Though adequate care has been taken while preparing this report as per its scope, but still we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
40.	Our Data retention policy is of <b>ONE YEAR</b> . After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.
41.	This Valuation report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) R.K Associates Quality Policy, (3) Valuation & Survey Best Practices Guidelines formulated by management of R.K Associates, (4) Information input given to us by the customer and (4) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which





	is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then we request the user of this report to immediately or atleast within the defect liability period to bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.
42.	R.K Associates never releases any report doing alterations or modifications by pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void.
43.	We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.
44.	The final copy of the report shall be considered valid only if it is in hard copy on the company's original letter head with proper stamp and sign on it of the authorized official upon payment of the agreed fees. User shall not use the content of the report for the purpose it is prepared for only on draft report, scanned copy, email copy of the report and without payment of the agreed fees. In such a case the report shall be considered as unauthorized and misused.

