**REPORT FORMAT:** V-L2 (Medium-Indian Bank) | Version: 12.0\_2023

**CASE NO. VIS(2023-24)-PL142-121-160 DATED: 21/07/2023**

**VALUATION REPORT**

**OF**

|  |  |
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| **NATURE OF ASSETS** | **LAND & BUILDING AND PLANT & MACHINERY** |
| **CATEGORY OF ASSETS** | **INDUSTRIAL** |
| **TYPE OF ASSETS** | **INDUSTRIAL PLANT** |

**SITUATED AT**

**M/S NILACHAL IRON AND POWER LTD, RATNAPUR-KANDRA CHANDIL ROAD, DISTRICT SARAIKEL-KHARASWAN, JHARKHAND, PIN CODE 832402**

**OWNER/S**

**M/S. NILACHAL IRON AND POWER LTD**

**REPORT PREPARED FOR**

**INDIAN BANK, LARGE CORPORATE BANK, KOLKATA**

***\*\*Important - In case of any query/ issue/ concern or escalation you may please contact Incident Manager @ valuers@rkassociates.org. We will appreciate your feedback in order to improve our services.***

***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.***

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

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| **PART A** | **SNAPSHOT OF THE ASSET/ PROPERTY UNDER VALUATION** |





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| **PART B** | **INDIAN BANK FORMAT ON OPINION REPORT ON VALUATION** |

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| --- | --- |
| Name & Address of the Branch | Indian Bank, Large Corporate Bank, Kolkata |
| Name & Designation of concerned officer | Mr. Ajeet Kumar |
| Name of the Customer | M/s. Nilachal Iron and Power Ltd. |

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| **S.NO.** | **CONTENTS** | | | | **DESCRIPTION** | | | | | | | | | | | | |
|  | **GENERAL** | | | | | | | | | | | | | | | | |
|  | Purpose of Valuation | | | | For Periodic Re-valuation of the mortgaged property | | | | | | | | | | | | |
|  | 1. Date of Inspection of the Property | | | | 12 July 2023 | | | | | | | | | | | | |
| 1. Date of Valuation Assessment | | | | 21 July 2023 | | | | | | | | | | | | |
| 1. Date of Valuation Report | | | | 21 July 2023 | | | | | | | | | | | | |
| 1. Work Order No. & Date | | | | Via work order dated- 05th June 2023 | | | | | | | | | | | | |
|  | List of documents produced for perusal *(Documents has been referred only for reference purpose)* | | | | **Documents Requested** | | | | **Documents Provided** | | | | | | **Documents Reference No.** | | |
| Total **05** documents requested. | | | | Total **05** documents provided | | | | | | Total **05** documents provided | | |
| Property Title document | | | | Multiple number of Sale Deed | | | | | | Refer to the sheet attached below | | |
| Approved Map | | | | Plant Layout Map | | | | | | Dated 05/05/2023 | | |
| Last paid Electricity Bill | | | | Electricity Bill of Jharkhand Bijli Vitran Nigam Limited. | | | | | | Dated: May 2023  Consumer No.7014/HT25 | | |
| Nocs and Approval | | | | Factory License,  Polluction Certificate | | | | | | Factory License No.FCA1636900160501 | | |
| Fixed Asstes Register (FAR) | | | | Fixed Asstes Register (FAR) | | | | | | Dated 30/June/2023 | | |
|  | Documents provided by | | | | **Bank** | | | | | | | | | | | | |
| **Name** | | | | **Relationship with the Owner** | | | | | | **Contact Number** | | |
| Mr. Ajeet | | | | Banker | | | | | | **+**91-8210580955 | | |
|  | Property Shown By | | | | **Name** | | | | **Relationship with the Owner** | | | | | | **Contact Number** | | |
| Mr. Ranjeet | | | | Employee | | | | | | +91-9304831499 | | |
|  | Name of the owner (s) | | | | M/S. Nilachal Iron and Power Ltd. | | | | | | | | | | | | |
| Address/ Phone no. | | | | Address: Regd office 5F Everest 46/C Chowringhee Road, Kolkata, 700071 | | | | | | | | | | | | |
| Phone No.: --- | | | | | | | | | | | | |
|  | **Brief description of the property** | | | | | | | | | | | | | | | | |
| This valuation report is prepared for the Steel Plant situated at the aforesaid address situated on total land area as per the number of sale deed is 6180.88 Decimals/61.80 acres/ 250095.7sq.mtr. The details of the deed attached in the annexure. However as per the TIR dated 28/03/2022 the land area is 5671.381 decimal/56.61 acre/229901.91 sq.mtr which is considered for this valuation report. The snapshot of the TIR attached below.    Due to the large size & irregular shape of the property we have cross verified the subject property land from the satellite measuring tool which comes out to be 58.9 acre. However for the purpose of the valuation we have considered the land area mentioned in TIR report only.  C:\Users\engineer3\AppData\Local\Microsoft\Windows\INetCache\Content.Word\IMG-20230721-WA0004.jpg  **About Civil Structure:**  The total covered area as per the physical site measurement during the site survey is 27423 sq.mtr/295188 sq.ft. The condition of the civil structures as per our visual observation is good. The company did the major expansion in the year of 2022. We have not been provided the sanctioned building map of the plant therefore the physical measurement done at site is considered for this valuation.  The subject property used as industrial and running a steel and captive power plant in it. The plant consists of rolling mill, 5 DRI steel plant, material handling plant, Steel Melting Shop, 12 and 30 megawatt captive power plant water treatment plant, DM water plant etc.  At the time of survey Plant was found fully operational and in good condition.  The subject property nearest land mark is Gidi Bedha Toll which is ~500 mtr away. The subject property main road is Ratnapur-Kandra Chandil road which is 30 feet wide. All the necessary civic and basic amenities are available in the nearby area.  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.  In case of discrepancy in the address/ property number 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 the client misled the valuer by providing the fabricated/ incorrect document or information, the valuation should be considered of the property shown to us at the site by the client of which the photographs are also attached. In case of any doubt, best would be to contact the concerned authority/ district administration/ tehsil level for the identification of the property if the property depicted in the photographs in this report is same with the documents pledged. | | | | | | | | | | | | | | | | |
|  | Location of the property | | | | | | | | | | | | | | | | |
| * 1. Plot No. / Survey No. | | | | Please refer to attached sheet below | | | | | | | | | | | | |
| * 1. Door No. | | | | --- | | | | | | | | | | | | |
| * 1. T. S. No. / Village | | | | Village Kandra | | | | | | | | | | | | |
| * 1. Ward / Taluka | | | | Dumrah Panchyat | | | | | | | | | | | | |
| * 1. Mandal / District | | | | District Saraikel-Kharaswan | | | | | | | | | | | | |
| * 1. Postal address of the property | | | | M/S Nilachal Iron And Power Ltd, Ratnapur-Kandra Chandil Road, District Saraikel-Kharaswan, Jharkhand, Pin Code 832402 | | | | | | | | | | | | |
| * 1. Latitude, Longitude & Coordinates of the site | | | | * 1. 22°52'29.2"N 86°03'45.8"E | | | | | | | | | | | | |
| * 1. Nearby Landmark | | | | Gidi Bedha Toll | | | | | | | | | | | | |
|  | City Categorization | | | | Village | | | | | | | Semi Urban | | | | | |
| Type of Area | | | | Within unotified industrial area | | | | | | | | | | | | |
|  | Classification of the area | | | | Middle Class (Ordinary) | | | | | | | Semi Urban | | | | | |
| Within unnotified Industrial area | | | | | | | | | | | | |
|  | Local Government Body Category  *(Corporation limit / Village Panchayat / Municipality) -* Type & Name | | | | Semi Urban | | | | | | | Village Panchayat (Gram Panchayat) | | | | | |
| Dumrah Panchyat | | | | | | | | | | | | |
|  | 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 | | | | | | | NA | | | | | |
| NA | | | | | | | | | | | | |
|  | In case it is an agricultural land, any conversion of land use done | | | | As per land deeds and TIR land is used for Industrial purpose. | | | | | | | | | | | | |
|  | Boundary schedule of the Property | | | | | | | | | | | | | | | | |
| Are Boundaries matched | | | | Multiple boundaries for multiple deeds | | | | | | | | | | | | |
| **Directions** | | | **As per Documents** | | | | | | | **Actually found at Site** | | | | | | |
| North | | | Multiple boundaries for multiple deeds | | | | | | | Others Property | | | | | | |
| South | | | Multiple boundaries for multiple deeds | | | | | | | Forest Land/Agriculture Land | | | | | | |
| East | | | Multiple boundaries for multiple deeds | | | | | | | Railway Track | | | | | | |
| West | | | Multiple boundaries for multiple deeds | | | | | | | Chowka Kandra Road 30 Feet | | | | | | |
|  | 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 from sides. | | | | | | |
| West | | | Not available in documents. | | | | | | | Shape uneven, not measurable from sides. | | | | | | |
|  | Extent of the site | | | 56.71 Acre | | | | | | | ~58.9 Acres | | | | | | |
|  | Extent of the site considered for valuation (least of 14A & 14B) | | | | 56.71 Acre/ 229497.23 sq.mtr (Covered Area**)** | | | | | | | | | | | | |
|  | Property presently occupied/ possessed by | | | | Owner | | | | | | | | | | | | |
| If occupied by tenant, since how long? | | | | Not applicable since the subject property is not occupied by tenant | | | | | | | | | | | | |
| Rent received per month | | | | NA | | | | | | | | | | | | |
|  | **CHARACTERISTICS OF THE SITE** | | | | | | | | | | | | | | | | |
|  | Classification of the locality | | | | Industrial | | | | | | | | | | | | |
|  | Development of surrounding areas | | | | Developing area | | | | | | | | | | | | |
|  | Possibility of frequent flooding / sub-merging | | | | No | | | | | | | | | | | | |
|  | Proximity to the Civic amenities & social infrastructure like school, hospital, bus stop, market, etc. | | | | | | | | | | | | | | | | |
| School | Hospital | Market | | | Bus Stop | | Railway Station | | | | | | Metro | | | Airport |
| ~1 km. | ~10 km. | ~3 km. | | | ~2 km. | | ~1 Km. | | | | | | --- | | | ~30 km. |
|  | Level of land with topographical conditions | | | | On road level/ Plain Land | | | | | | | | | | | | |
|  | Shape of land | | | | Irregular | | | | | | | | | | | | |
|  | Type of use to which it can be put | | | | Appropriate for industrial use | | | | | | | | | | | | |
|  | Any usage restriction | | | | Yes only for industrial use | | | | | | | | | | | | |
|  | Is plot in town planning approved layout?/ Zoning regulation | | | | No | | | | | | | | Not yet under zoning regulation | | | | |
|  | Corner plot or intermittent plot? | | | | It is a corner plot | | | | | | | | | | | | |
|  | Road facilities | | | |  | | | | | | | | | | | | |
| 1. Main Road Name & Width | | | | Chowka-Kandra Road | | | | | | | | ~30 Ft | | | | |
| 1. Front Road Name & width | | | | On Main Road | | | | | | | | -- | | | | |
| 1. Type of Approach Road | | | | Bituminous Road | | | | | | | | | | | | |
| 1. Distance from the Main Road | | | | Adjoined | | | | | | | | | | | | |
|  | Type of road available at present | | | | Bituminous Road | | | | | | | | | | | | |
|  | Width of road – is it below 20 ft. or more than | | | | More than 20 ft. | | | | | | | | | | | | |
|  | Is it a land – locked land? | | | | No | | | | | | | | | | | | |
|  | Water potentiality | | | | Yes by using water tanker | | | | | | | | | | | | |
|  | Underground sewerage system | | | | Yes | | | | | | | | | | | | |
|  | Is power supply available at the site? | | | | Yes | | | | | | | | | | | | |
|  | Advantages of the site | | | | The subject property is abutted with state highway. | | | | | | | | | | | | |
|  | Special remarks, if any, like: | | | | | | | | | | | | | | | | |
| 1. Notification of land acquisition if any in the area | | | | No such information came in front of us and could not be found on public domain | | | | | | | | | | | | |
| 1. Notification of road widening if any in the area | | | | No such information came in front of us and could not be found on public domain | | | | | | | | | | | | |
| 1. Applicability of CRZ provisions etc. (Distance from sea-coast / tidal level must be incorporated) | | | | No, the subject property is not close to any coastal region | | | | | | | | | | | | |
| 1. Any other | | | | No | | | | | | | | | | | | |
|  | **VALUATION OF LAND** | | | | | | | | | | | | | | | | |
|  | Size of plot | | | | Please refer to Part B – Area description of the Property. | | | | | | | | | | | | |
| 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 C - Procedure of Valuation Assessment section. | | | | | | | | | | | | |
|  | Guideline rate obtained from the Registrar’s Office (an evidence thereof to be enclosed) | | | |
|  | Assessed / adopted rate of valuation | | | |
|  | Estimated Value of Land | | | |
|  | **VALUATION OF BUILDING** | | | | | | | | | | | | | | | | |
|  | **Technical details of the building** | | | | | | | | | | | | | | | | |
| 1. Type of Building (Residential / Commercial/ Industrial) | | | | INDUSTRIAL / INDUSTRIAL PLANT | | | | | | | | | | | | |
|  | 1. Type of construction (Load bearing / RCC/ Steel Framed) | | | | Structure | | | | | Slab | | | | | | Walls | |
| Refer to the attached sheet below | | | | | Refer to the attached sheet | | | | | | Refer to the attached sheet below | |
| 1. Architecture design & finishing | | | | Interior | | | | | | | | Exterior | | | | |
| Ordinary regular architecture | | | | | | | | Ordinary regular architecture | | | | |
| 1. Class of construction | | | | Class of construction: Class B construction (Good) | | | | | | | | | | | | |
| 1. Year of construction/ Age of construction | | | | Refer to the attached sheet below | | | | | | | | Refer to the attached sheet below | | | | |
| 1. Number of floors and height of each floor including basement, if any | | | | Refer to the attached sheet below | | | | | | | | | | | | |
| 1. Plinth area floor-wise | | | | Refer to the attached sheet below | | | | | | | | | | | | |
| 1. Condition of the building | | | | Interior | | | | | | | | Exterior | | | | |
| Average | | | | | | | | Average | | | | |
| 1. Maintenance issues | | | | No maintenance issue, structure is maintained properly | | | | | | | | | | | | |
| 1. Visible damage in the building if any | | | | No visible damages in the structure | | | | | | | | | | | | |
| 1. Type of flooring | | | | Refer to the attached sheet | | | | | | | | | | | | |
| 1. Class of electrical fittings | | | | Internal/ Normal quality fittings used | | | | | | | | | | | | |
| 1. Class of plumbing, sanitary & water supply fittings | | | | Internal/ Normal quality fittings used | | | | | | | | | | | | |
|  | **Map approval details** | | | | | | | | | | | | | | | | |
| 1. Status of Building Plans/ Maps and Date of issue and validity of layout of approved map / plan | | | | Sanctioned by competent authority as per copy of Map provided to us/ | | | | | | | | | | | | |
| 1. Approved map / plan issuing authority | | | | Authorised Signatory by Hooghly Authority | | | | | | | | | | | | |
| 1. Whether genuineness or authenticity of approved map / plan is verified | | | | Not in our scope. | | | | | | | | | | | | |
| 1. 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 in our scope. | | | | | | | | | | | | |
| 1. Is Building as per copy of approved Map provided to Valuer? | | | | No. | | | | | | | | | | | | |
| 1. Details of alterations/ deviations/ illegal construction/ encroachment noticed in the structure from the approved plan | | | | Permissible alterations | | | | | | | | NA | | | | |
| Non permissible alterations | | | | | | | | NA | | | | |
| 1. Is this being regularized | | | | Can not comment since no approved map available to us. | | | | | | | | | | | | |
|  | **SPECIFICATIONS OF CONSTRUCTION (FLOOR-WISE) IN RESPECT OF** | | | | | | | | | | | | | | | | |
|  | 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. | | | | | | | | | | |
|  | Basement | | | | | |
|  | Superstructure | | | | | |
|  | Joinery / Doors & Windows (please furnish details about size of frames, shutters, glazing, fitting etc. and specify the species of timber) | | | | | |
|  | RCC works | | | | | |
|  | Plastering | | | | | |
|  | Flooring, Skirting, dadoing | | | | | |
|  | Special finish as marble, granite, wooden paneling, grills, etc | | | | | |
|  | Roofing including weather proof course | | | | | |
|  | Drainage | | | | | |
|  | Compound wall | | | | | | Yes, demarcated Properly. | | | | | | | | | | |
| Height | | | | | | ~7 ft. | | | | | | | | | | |
| Length | | | | | | ~2082 running mtr. | | | | | | | | | | |
| Type of construction | | | | | | Brick Wall | | | | | | | | | | |
|  | 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 | | | | | |
|  | 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 | | | | | |

**\*NOTE:**

1. *For more details & basis please refer to* ***Part C -******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 - INDIAN BANK 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 C – Procedure of Valuation Assessment*** *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)*.*

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| **PART C** | **AREA DESCRIPTION OF THE PROPERTY** |

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|  | Land Area considered for Valuation | Land Area as per TIR – 5671.381 decimal/56.61 acre/229901.91 sq.mtr | |
| Area adopted on the basis of | Property documents & site survey both | |
| Remarks & observations, if any | The total land area as per the number of sale deeds is 6180.88 Decimals/61.80 acres/ 250095.7sq.mtr. The details of the deed attached in the annexure. However as per the TIR dated 28/03/2022 the land area is 5671.381 decimal/56.61 acre/229901.91 sq.mtr which is considered for this valuation report. As per satellite site measurement it comes out to be 58.9 acre. As per policy we have considered least of two. | |
|  | Constructed Area considered for Valuation  (As per IS 3861-1966) | **Covered Area** | 27423 sq.mtr/295188 sq.ft  Please Refer to the attached sheet |
| Area adopted on the basis of | Sample site measurement | |
| Remarks & observations, if any | The total covered area as per the physical site measurement during the site survey is 27423 sq.mtr/295188 sq.ft. The condition of the civil structures as per our visual observation is good. The company did the major expansion in the year of 2022. We have not been provided the sanctioned building map of the plant therefore the area as per physical measurement done at site is considered for this valuation. | |

***Note:***

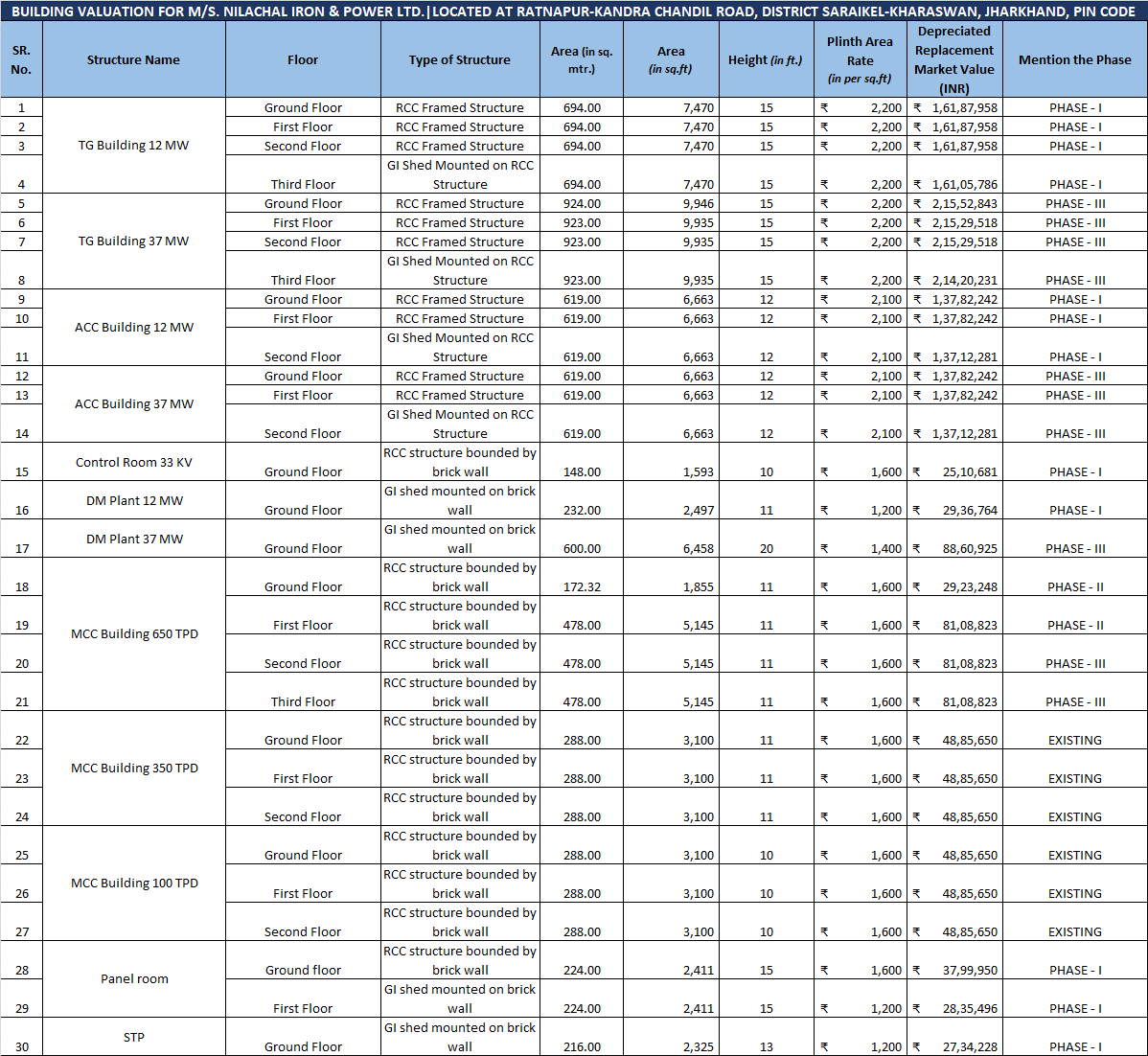
1. *Area measurements considered in the Valuation Report pertaining to Land & Building is adopted from relevant approved documents or actual site measurement whichever is less. All area measurements are on approximate basis only.*
2. *Verification of the area measurement of the property is done based on sample random checking only.*
3. *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.*
4. *Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.*

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| **PART D** | **PROCEDURE OF VALUATION ASSESSMENT** |

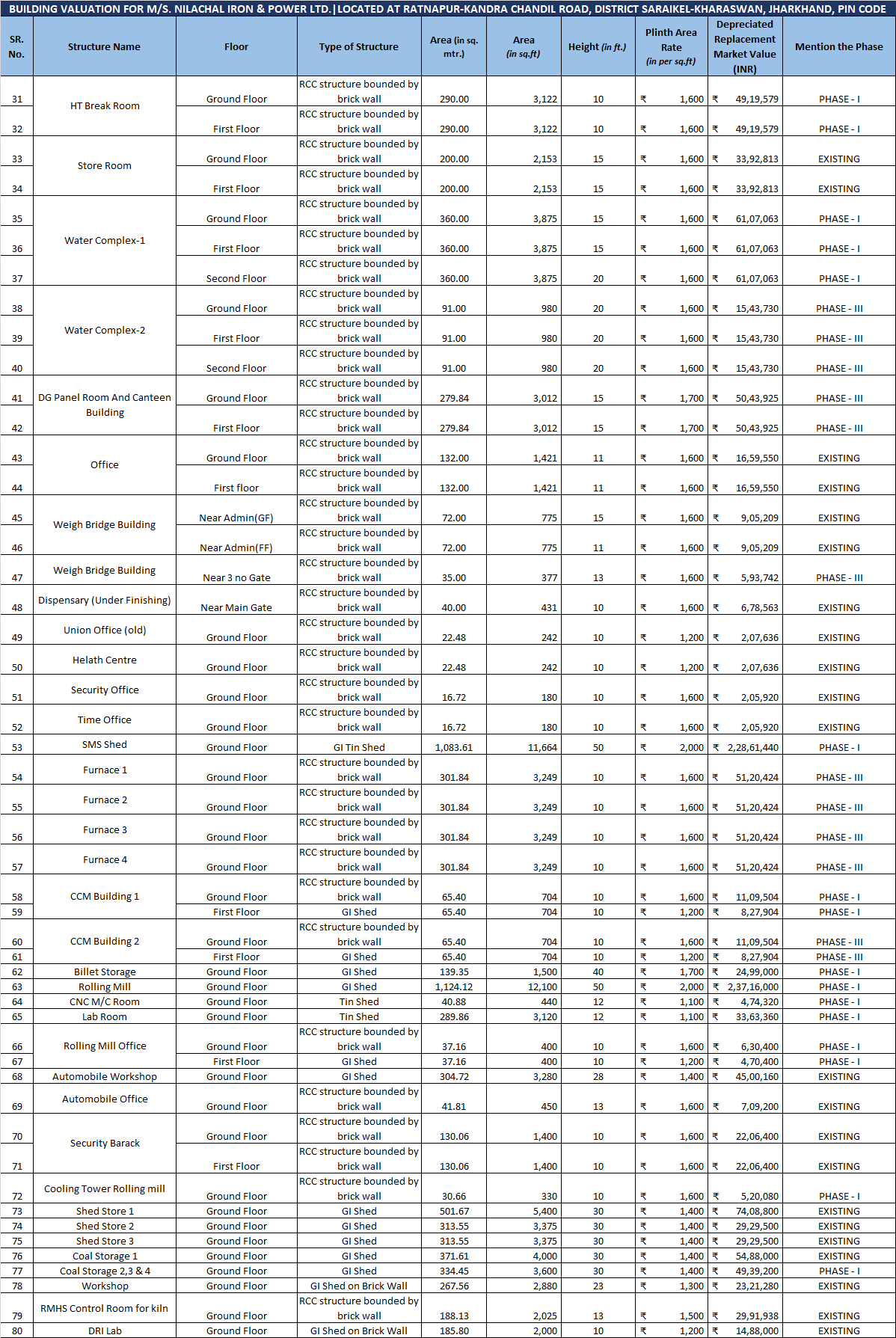
|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **GENERAL INFORMATION** | | | | |
|  | Important Dates | **Date of Inspection of the Property** | | **Date of Valuation Assessment** | **Date of Valuation Report** |
| 12 July 2023, 13 July 2023 | | 21 July 2023 | 21 July 2023 |
|  | Client | Indian Bank, Large Corporate Bank, Kolkata | | | |
|  | Intended User | Indian Bank, Large Corporate Bank, Kolkata | | | |
|  | 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. | | | |
|  | Purpose of Valuation | For Periodic Re-valuation of the mortgaged property | | | |
|  | 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. | | | |
|  | 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. | | | |
|  | Manner in which the proper is identified |  | Done from the name plate displayed on the property | | |
|  | Identified by the owner | | |
|  | Identified by the owner’s representative | | |
|  | Enquired from local residents/ public | | |
|  | Cross checked from the boundaries/ address of the property mentioned in the documents provided to us | | |
|  | Identification of the property could not be done properly | | |
|  | Survey was not done | | |
|  | Is property number/ survey number displayed on the property for proper identification? | No. | | | |
|  | Type of Survey conducted | Full survey (inside-out with approximate measurements & photographs). | | | |

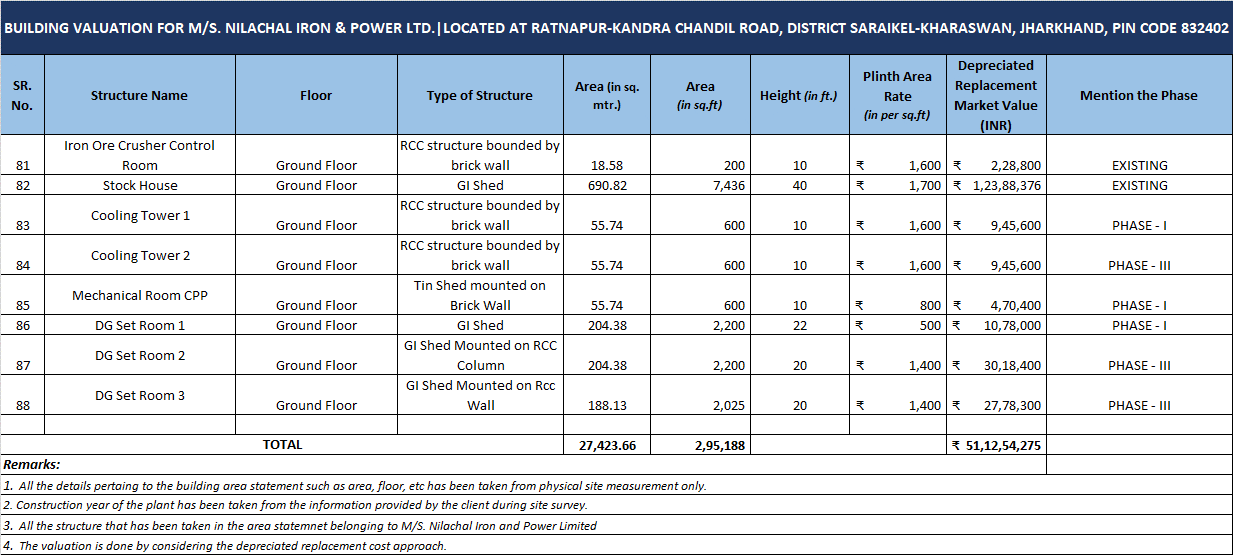
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|  | **ASSESSMENT FACTORS** | | | | | | | | | | | | | | | | | |
|  | Valuation Standards considered | | | | Mix of standards such as IVS and others issued by Indian authorities & institutions and improvised by the RKA internal research team as and where it is felt necessary to derive at a reasonable, logical & scientific approach. In this regard proper basis, approach, working, definitions considered is defined below which may have certain departures to IVS. | | | | | | | | | | | | | |
|  | Nature of the Valuation | | | | Fixed Assets Valuation | | | | | | | | | | | | | |
|  | Nature/ Category/ Type/ Classification of Asset under Valuation | | | | **Nature** | | | | **Category** | | | | | | | | **Type** | |
| LAND & BUILDING AND PLANT & MACHINERY | | | | INDUSTRIAL | | | | | | | | INDUSTRIAL PLANT | |
| **Classification** | | | | Income/ Revenue Generating Asset | | | | | | | | | |
|  | Type of Valuation *(Basis of Valuation as per IVS)* | | | | Primary Basis | | | Market Value & Govt. Guideline Value | | | | | | | | | | |
| Secondary Basis | | | On-going concern basis | | | | | | | | | | |
|  | Present market state of the Asset assumed *(Premise of Value as per IVS)* | | | | Under Normal Marketable State | | | | | | | | | | | | | |
| **Reason:** Asset under free market transaction state | | | | | | | | | | | | | |
|  | Property Use factor | | | | **Current/ Existing Use** | | | | | **Highest & Best Use**  *(in consonance to surrounding use, zoning and statutory norms)* | | | | | | | **Considered for Valuation purpose** | |
| Industrial | | | | | Industrial | | | | | | | Industrial | |
|  | 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. | | | | | | | | | | | | | |
|  | Class/ Category of the locality | | | | Middle Class (Ordinary) | | | | | | | | | | | | | |
|  | Property Physical Factors | | | | **Shape** | | | | | | **Size** | | | | | **Layout** | | |
| Irregular | | | | | | Medium | | | | | Normal Layout - | | |
|  | Property Location Category Factor | | | | **City Categorization** | | **Locality Characteristics** | | | | | | | **Property location characteristics** | | | | **Floor Level** |
| Village | | Ordinary | | | | | | | Road Facing | | | | Maximum G+3 |
| Industrial | | Within unnotified Industrial area | | | | | | | Near to Highway | | | |
| -- | | | | | | | Not Applicable | | | |
| **Property Facing** | | | | | | | | | | | | | |
| West Facing | | | | | | | | | | | | | |
|  | Physical Infrastructure availability factors of the locality | **Water Supply** | | | | | **Sewerage/ sanitation system** | | | | | | | **Electricity** | | | | **Road and Public Transport connectivity** |
| Yes available by using water tanker | | | | | 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 | | | | |
|  | 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 | | | | | | | | | | | | | | | | |
|  | Neighbourhood amenities | Average | | | | | | | | | | | | | | | | |
|  | Any New Development in surrounding area | None | | | | | | | | | | None | | | | | | |
|  | Any specific advantage/ drawback in the property | The subject property is abutted with state highway | | | | | | | | | | | | | | | | |
|  | Property overall usability/ utility Factor | Good | | | | | | | | | | | | | | | | |
|  | Do property has any alternate use? | No | | | | | | | | | | | | | | | | |
|  | Is property clearly demarcated by permanent/ temporary boundary on site | Demarcated with permanent boundary | | | | | | | | | | | | | | | | |
|  | Is the property merged or colluded with any other property | No | | | | | | | | | | | | | | | | |
| Comments: --- | | | | | | | | | | | | | | | | |
|  | Is independent access available to the property | Clear independent access is available | | | | | | | | | | | | | | | | |
|  | Is property clearly possessable upon sale | Yes | | | | | | | | | | | | | | | | |
|  | 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. | | | | | | | | | | | | | | | | |
|  | Hypothetical Sale transaction method assumed for the computation of valuation | 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. | | | | | | | | | | | | | | | | |
|  | Approach & Method of Valuation Used | **Land** | | | | **Approach of Valuation** | | | | | | | | **Method of Valuation** | | | | |
| Market Approach | | | | | | | | Market Comparable Sales Method | | | | |
| **Building** | | | | Cost Approach | | | | | | | | Depreciated Replacement Cost Method | | | | |
|  | Type of Source of Information | Level 3 Input (Tertiary) | | | | | | | | | | | | | | | | |
|  | **Market Comparable** | | | | | | | | | | | | | | | | | |
| 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)* | **1** | | Name: | | | | | | | | | | | Mr. Vidhyadhar Mandal | | | |
| Contact No.: | | | | | | | | | | | +91-7091095122 | | | |
| Nature of reference: | | | | | | | | | | | Property Consultant | | | |
| Size of the Property: | | | | | | | | | | | 50 Cotah | | | |
| Location: | | | | | | | | | | | Near to Subject Property | | | |
| Rates/ Price informed: | | | | | | | | | | | Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah for industrial land.And 1 Cottah=1088 sq.ft | | | |
| Any other details/ Discussion held: | | | | | | | | | | | As per the discussion with the property dealer of the subject locality we came to know that the prevailing market rate for a property located in kandra is Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah for Agriculture land. | | | |
| **2** | | Name: | | | | | | | | | | | Mr. Ashish Sahu | | | |
| Contact No.: | | | | | | | | | | | +91-9031316442 | | | |
| Nature of reference: | | | | | | | | | | | Property Consultant | | | |
| Size of the Property: | | | | | | | | | | | 50 Cotah | | | |
| Location: | | | | | | | | | | | Near to Subject Property | | | |
| Rates/ Price informed: | | | | | | | | | | | Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah for industrial land.  1 Cottah=1088 sq.ft | | | |
| Any other details/ Discussion held: | | | | | | | | | | | As per the discussion with the property dealer of the subject locality we came to know that the prevailing market rate for a property located in kandra is Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah for Agriculture land. | | | |
|  | *NOTE: The given information above can be independently verified to know its authenticity.* | | | | | | | | | | | | | | | | | |
|  | Adopted Rates Justification | | | As per the discussion with the property dealer of the subject locality we came to know that the prevailing market rate for a property located in Kandra Village near to subject property is Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah for Agriculture land. | | | | | | | | | | | | | | |
|  | ***NOTE:*** *We have taken due care to take the information from reliable sources. The given information above can be independently verified from the provided numbers to know its authenticity. However due to the nature of the information most of the market information came to knowledge is only through verbal discussion with market participants which we have to rely upon where generally there is no written record.*  *Related postings for similar properties on sale are also annexed with the Report wherever available.* | | | | | | | | | | | | | | | | | |
|  | **Other Market Factors** | | | | | | | | | | | | | | | | | |
| Current Market condition | | Normal | | | | | | | | | | | | | | | |
| **Remarks:** NA | | | | | | | | | | | | | | | |
| **Adjustments (-/+):** 0% | | | | | | | | | | | | | | | |
| Comment on Property Salability Outlook | | Present sellability outlook for such a steel plant is positive. However in future sellability outlook will depend on the industry & sector outlook at the time of trahnsaction. | | | | | | | | | | | | | | | |
| **Adjustments (-/+):** 0% | | | | | | | | | | | | | | | |
| Comment on Demand & Supply in the Market | | **Demand** | | | | | | | | | | **Supply** | | | | | |
| Good | | | | | | | | | | Adequately available | | | | | |
| **Remarks:** Demand is related to the current use of the property only and only limited to the selected type of buyers | | | | | | | | | | | | | | | |
| **Adjustments (-/+):** 0% | | | | | | | | | | | | | | | |
|  | Any other special consideration | | **Reason: NA** | | | | | | | | | | | | | | | |
| **Adjustments (-/+):** 0% | | | | | | | | | | | | | | | |
|  | Any other aspect which has relevance on the value or marketability of the property | | NA  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 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 financer 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.  This Valuation report is prepared based on the facts of the property & market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time & 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. Hence before financing, Banker/ FI should take into consideration all such future risk while financing. | | | | | | | | | | | | | | | |
| **Adjustments (-/+):** 0% | | | | | | | | | | | | | | | |
|  | **Final adjusted & weighted Rates considered for the subject property** | | **Rs. 4,75,000/- per Cottah-or Rs.440 per sq.ft or Rs.4,736 per sq.mtr** | | | | | | | | | | | | | | | |
|  | Considered Rates Justification | | As per the thorough property & market factors analysis as described above, the considered estimated market rates appears to be reasonable in our opinion. | | | | | | | | | | | | | | | |
|  | **Basis of computation & working** | | | | | | | | | | | | | | | | | |
| * *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.* * *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.* * *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.* * *References regarding the prevailing market rates and comparable are based on the verbal/ informal/ 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.* * *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.* * *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.* * *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.* * *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.* * *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.* * *Verification of the area measurement of the property is done based on sample random checking only.* * *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.* * *Drawing, Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.* * *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.* * *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.* * *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.* * *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.* * *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.* * *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.* | | | | | | | | | | | | | | | | | |
|  | **ASSUMPTIONS** | | | | | | | | | | | | | | | | | |
| 1. *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.* 2. *Local verbal enquiries during micro market research came to our knowledge are assumed to be taken on record as true & factual.* 3. *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.* 4. *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.* 5. *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.* 6. *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.* 7. *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.* | | | | | | | | | | | | | | | | | |
|  | **SPECIAL ASSUMPTIONS** | | | | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | | | | |
|  | **LIMITATIONS** | | | | | | | | | | | | | | | | | |
| None | | | | | | | | | | | | | | | | | |

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| --- | --- | --- | --- |
|  | **VALUATION OF LAND** | | |
|  | **Particulars** | **Govt. Circle/ Guideline Value** | **Indicative & Estimated Prospective Fair Market Value** |
|  | Prevailing Rate range | -- | Rs. 4,50,000/- to Rs. 5,00,000/- per Cottah |
|  | Deduction on Market Rate | --- | --- |
|  | Rate adopted considering all characteristics of the property | -- | Rs. 4,75,000/- per Cottah-or Rs.440 per sq.ft or Rs.4,736 per sq.mtr |
|  | Total Land Area considered *(documents vs site survey whichever is less)* | -- | Land Area as per TIR – 5671.381 decimal/56.61 acre/229901.91 sq.mtr |
|  | **Total Value of land (A)** | -- | 229901.91 sq.mtr x Rs.4736/- per sq.mtr |
| NA | **Rs. 1,08,88,15,446 /-** |



|  |  |
| --- | --- |
|  | **VALUATION COMPUTATION OF BUILDING STRUCTURE** |





**Building Values Phase Wise**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Gross Replacement Value (INR)** | **Depreciated Replacement Market Value (INR)** |
| EXISTING (OLD) | 10,00,66,402 | 9,05,31,076 |
| PHASE - I | 21,65,83,478 | 21,28,29,498 |
| PHASE - II | 1,12,00,071 | 1,10,32,070 |
| PHASE - III | 20,01,21,711 | 19,68,61,630 |
| **Grand Total** | **52,79,71,663** | **51,12,54,275** |

*Information compiled as above on request of the Bank*.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **VALUATION OF ADDITIONAL AESTHETIC/ INTERIOR WORKS IN THE PROPERTY** | | |
| **S.No.** | **Particulars** | **Specifications** | **Depreciated Replacement Value** |
|  | Add extra for Architectural aesthetic developments, improvements  *(add lump sum cost)* | ---- | ---- |
|  | Add extra for fittings & fixtures  *(Doors, windows, wood work, cupboards, modular kitchen, electrical/ sanitary fittings)* | ---- | ---- |
|  | Add extra for services  *(Water, Electricity, Sewerage, Main gate, Boundary, Lift, Auxiliary power, AC, HVAC, Firefighting etc.)* | ---- | ---- |
|  | Add extra for internal & external development  *(Internal roads, Landscaping, Pavements, Street lights, Green area development, External area landscaping, Land development, Approach road, etc.)* | Internal Road and Boundary Wall @2082 ru.mtr and 7 feet height. | **Rs. 2,85,00,000/-** |
|  | **Depreciated Replacement Value (B)** | ---- | **Rs. 2,85,00,000/-** |
|  | ***Note:***   * *Value for Additional Building & 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.* * *Value of common facilities of society are not included in the valuation of Flat/ Built-up unit.* | | |

|  |  |
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| **PART E** | **CHARACTERISTICS DESCRIPTION OF PLANT/ MACHINERY** |

|  |  |  |  |
| --- | --- | --- | --- |
| **S.NO.** | **CONTENTS** | **DESCRIPTION** | |
|  | **TECHNICAL DESCRIPTION OF THE PLANT/ MACHINERY** | | |
|  | Nature of Plant & Machinery | Iron and Steel | |
|  | Size of the Plant | 1. Large scale Plant | |
|  | Type of the Plant | 1. Semi Automatic | |
|  | Year of Installation/ Commissioning/ COD *(Commercial Operation Date)* | Year of Installation 2005/ Commercial operation date 01/04/2005  Expansion done in 2011 (for Kilin 2X100 TPD) and in Year 2022 for SMS Division, Rolling mill division, DRI 650 TPD x 2, Captive power plant.(37 and 12 MW)  (As per information provided) | |
|  | Production Capacity | |  |  |  | | --- | --- | --- | | **S.no** | **Particulars** | **Production Capacity** | | 1 | DRI Plant | 1 X 350 Ton per day  2 X 100 Ton Per day  2 X 650 Ton per day | | 2 | SMS Division | 3X10 Ton Induction Furnace  4X15 Ton Induction furnace | | 3 | Rolling Mill | 2,30,000 Ton Per Annum | | 4 | Captive Power Plant (WHRB) | 37 MW | | 5 | Captive Power Plant (AFBC) | 12 MW | | |
|  | Capacity at which Plant was running at the time of Survey | |  |  |  | | --- | --- | --- | | **S.no** | **Particulars** | **Production Capacity** | | 1 | DRI Plant | 90 to 95 % of its total capacity | | 2 | SMS Division | 90 to 95 % of its total capacity | | 3 | Rolling Mill | 70 to 75 % of its total capacity | | 4 | Captive Power Plant (WHRB) | 90 to 95 % of its total capacity | | 5 | Captive Power Plant (AFBC) | 90 to 95 % of its total capacity | | |
|  | Number of Production Lines | 5 DRI Plant  SMS Division, Rolling Mill Division, Captive power plant. | |
|  | Condition of machines | Good. | |
|  | Status of the Plant | Fully operational | |
|  | Products Manufactured in this Plant | Sponge Iron, Billets, TMT Bars | |
|  | Recent maintenance carried out on | Yes | |
|  | Recent upgradation, improvements if done any | Yes, Expansion done in 2011 (for Kilin 2X100 TPD) and in Year 2022 for SMS Division, Rolling mill division, DRI 650 TPD x 2, Captive power plant.(37 and 12 MW) | |
|  | Total Gross Block & Net Block of Assets of Plant and Machinery and other fixed assets | **Gross Block** | **Net Block** |
| *As per FAR* | *As on 31/03/2022*  *As per FAR* |
| *Rs.6,07,82,96,442/-* | *Rs.5,15,06,98,529/-* |
|  | Any other Details if any | No | |
|  | **MANUFACTURING PROCESS** | | |
|  |  | | |
|  | **TECHNOLOGY TYPE/ GENERATION USED AND TECHNOLOGICAL COLLABORATIONS IF ANY** | | |
|  | 1. Technology Type/ Generation Used in this Plant | 1. Semiautomatic | |
|  | Technological Collaborations If Any | No | |
|  | Current Technology used for this Industry in Market | 1. Automatic | |
|  | **RAW MATERIALS REQUIRED & AVAILABILITY** | | |
|  | Type of Raw Material | |  |  |  | | --- | --- | --- | | **S.no** | **Division** | **Type of Raw Material** | | 1 | DRI Plant: | Iron Ore, Coal, Dolomite | | 2 | For SMS Shop: | Sponge Iron, Scrap, Pig Iron, Ferro Alloys | | 3 | For Rolling Mill: | Billets | | 4 | Captive Power Plant: | Dolo-char, Coal | | |
| Availability | Easily Available since in mining rich area. | |
|  | **AVAILABILITY & STATUS OF UTILITIES** | | |
|  | Power/ Electricity | Available | |
| Water | Arranged through water tankers from nearest river. No direct pipeline. | |
| Road/ Transport | Available | |
|  | **COMMENT ON AVAILABILITY OF LABOUR** | | |
|  | Availability | Appears to be easily & adequately available. | |
| Number of Labours working in the Factory | 800 (Including Skilled and Unskilled) | |
|  | **SALES TRANSACTIONAL PROSPECTS OF SUCH PLANTS/ MACHINERY** | | |
|  | Strategic Sale as part of the ongoing concern company. | | |
| **Reason:** 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 conglomefrate who plans to enter into this new Industry | | |
|  | **DEMAND OF SUCH PLANT & MACHINERY IN THE MARKET** | | |
|  | Appears to be good as per present industry & sector outlook. | | |
|  | **INSPECTION/ SURVEY DETAILS** | | |
|  | Plant has been surveyed by our Engineering Team from 12/07/2023 to 13/07/2023 being experienced and expert in such kind of industry. | | |
|  | Site inspection was done in the presence of Company's Employee. Mr. GD Bajpai and Mr Ranjeet who was available to furnish any specific detail about the machines. | | |
|  | Our team examined & verified the machines from the list provided by the bank/Client. | | |
|  | Photographs have also been taken of all the Machines and its accessories installed there. | | |
|  | Plant was found operational and working at the time of survey. Divisions such as coal handling plant, Steel Melting Shop, captive power plant 12 MW and 37 MW, Rolling Mill, WTP, DRI Plant, WHRB Boiler, ESP, Pollution control system etc was verified. | | |
|  | Major machines & process line have been cross checked as per the Fixed Assets Register (FAR) provided to us by the company and what was observed at the site. | | |
|  | 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. | | |
|  | Site Survey has been carried out on the basis of the physical existence of the assets rather than their technical expediency. | | |
|  | As per the overall site visit summary, machine appeared to be in Good condition. | | |

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| **PART F** | **PROCEDURE OF VALUATION ASSESMENT** |

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| --- | --- | --- | --- | --- | --- | --- |
|  | **GENERAL INFORMATION** | | | | | |
|  | Important Dates | **Date of Appointment** | | **Date of Inspection of the Property** | **Date of Valuation Assessment** | **Date of Valuation Report** |
| 5 June 2023 | | 12 July 2023 to 13 July 2023 | 21 July 2023 | 21 July 2023 |
|  | Client | Indian Bank, Large Corporate Bank, Kolkata | | | | |
|  | Intended User | Indian Bank, Large Corporate Bank, Kolkata | | | | |
|  | 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. | | | | |
|  | Purpose of Valuation | For Periodic Re-valuation of the mortgaged property | | | | |
|  | 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. | | | | |
|  | 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. | | | | |
|  | Manner in which identification of the Assets is done |  | Cross checked from the name of the machines mentioned in the FAR/ Inventory list name plate displayed on the machine | | | |
|  | Identified by the Owner's representative | | | |
|  | Identified from the available Invoices | | | |
|  | Identification of the machines could not be done properly | | | |
|  | Due to large number of machines/ inventories, only major production lines & machines have been checked | | | |
|  | Enquired from local residents/ public | | | |
|  | Physical inspection of the machines could not be done | | | |
|  | Type of Survey conducted | Full survey (inside-out for verification of assets with photographs) | | | | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **ASSESSMENT FACTORS** | | | | | | | |
|  | Valuation Standards considered | Mix of standards such as IVS and others issued by Indian authorities & institutions and improvised by the RKA internal research team as and where it is felt necessary to derive at a reasonable, logical & scientific approach. In this regard proper basis, approach, working, definitions considered is defined below which may have certain departures to IVS. | | | | | | |
|  | Nature of the Valuation | Fixed Assets Valuation | | | | | | |
|  | Nature/ Category/ Type/ Classification of Asset under Valuation | **Nature** | | **Category** | | | **Type** | |
| PLANT & MACHINERY | | INDUSTRIAL | | | LARGE INDUSTRIAL PROJECT | |
| **Classification** | | Only business use asset | | | | |
|  | Type of Valuation *(Basis of Valuation as per IVS)* | Primary Basis | | Fair Market Value | | | | |
| Secondary Basis | | On-going concern basis | | | | |
|  | Present market state of the Asset assumed *(Premise of Value as per IVS)* | Under Normal Marketable State | | | | | | |
| **Reason:** Asset under free market transaction state | | | | | | |
|  | 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 | | |
|  | Neighbourhood amenities | Average | | | | | | |
|  | Any New Development in surrounding area | None | | | None | | | |
|  | Any specific advantage/ drawback in the plant and machines | No | | | | | | |
|  | Machines overall usability/ utility Factor | Good | | | | | | |
|  | Subject Industrial sector/ product manufactured outlook | Good | | | | | | |
|  | 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. | | | | | | |
|  | Hypothetical Sale transaction method assumed for the computation of valuation | 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. | | | | | | |
|  | Approach & Method of Valuation Used | **Approach of Valuation** | | | | **Method of Valuation** | | |
| Cost Approach | | | | Depreciated Replacement Cost Method | | |
|  | Type of Source of Information | Level 3 Input (Tertiary) | | | | | | |
|  | Any other aspect which has relevance on the value or marketability of the machines | The marketability for the machines depends upon the industry outlook, make, market condition, raw material, maintenance, raw material, usability, capacity.  This Valuation report is prepared based on the facts of the assets & market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time & 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 sector outlook may change due to impact of Govt. policies or effect of domestic/ world economy, usability prospects of the Plant may change, etc. Hence user of this report should take into consideration all such future risk while taking any business decision. | | | | | | |
|  | **Basis of computation & working** | | | | | | | |
|  | **Main Basis:**   1. ***Basic Methodology:*** *For arriving at fair market value of inventory/stocks, our engineering team has applied* ***‘Cost Approach (Depreciated Replacement Cost Method) & sales comparison approach (market approach)’****. The fair market value of machines on the date of valuation is its cost of reproduction depending upon their Technical, Economic, Functional specifications.* 2. *Machine 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.* 3. *Provided Capitalization cost include soft cost incurred during the Project establishment like Pre-operative, IDC & Finance cost expenses also. On our request we have not got break-up of hard & soft cost separately hence we have to go by the given figure.* 4. *For calculating Replacement Cost of the machines as on date, Cost Inflation Index is taken into consideration.* 5. *e. No further obsolescence/ deterioration or maintenance factor has been applied on the Depreciated Replacement Cost (DRC) since we found that only normal deterioration is there as per machine age.* 6. ***Underline assumption*** *for the evaluation of these machines is that it will be sold as an Integrated Plant and not as discrete/ piecemeal machinery basis.* 7. *Market & Industry scenario is also explored for demand of such Plants and it is found that many other Iron & steel and power plants are also present in different states of the India.* 8. *Valuation of the asset is done as per the assets list provided and identified to us by Owners representative during site inspection by our engineer/s unless otherwise mentioned in the report.* 9. *The valuation of the Plant/ Machinery has been done considering the plant as a whole. The individual value for machines shown is for illustration purpose,* 10. *Valuation of the machine is done taking into consideration that whether it is specific purpose machines or general used machines.* 11. *Consolidated valuation sheet of machines 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 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.* 12. *Other similar plants project cost references also been evaluate looked upon to cross verify the plant valuation*   **Other Basis:**   1. *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.* 2. *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.* 3. *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.* 4. *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.* 5. *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.* 6. *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.* | | | | | | | |
|  | **ASSUMPTIONS** | | | | | | | |
| 1. *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.* 2. *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.* 3. *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.* 4. *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.* 5. *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.* | | | | | | | |
|  | **SPECIAL ASSUMPTIONS** | | | | | | | |
| None | | | | | | | |
|  | **LIMITATIONS** | | | | | | | |
| None | | | | | | | |

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| **SUMMARY OF PLANT & MACHINERY** | | | | | | | |
| **S. No.** | **Particulars** | **Gross Block**  **(As per FAR)**  **(In Rs.)** | | **Net Block**  **(As on 31/03/2022) (In Rs.)** | **Estimated Reproduction Cost of the Asset**  **(In Rs.)** | | **Fair Market Value (In Rs.)** |
| 1 | Plant and Machinery | 6,07,82,96,442/- | | 5,15,06,98,529/- | 6,74,55,67,368/- | | 5,49,17,91,460 /- |
| **Total** | |  | **6,07,82,96,442/-** | **5,15,06,98,529/-** | | **6,74,55,67,368/-** | **5,49,17,91,460 /-** |
| * + - 1. The machines valued above is located at: Ratnapur-Kandra Chandil Road, District Saraikel-Kharaswan, Jharkhand, Pin code-832402. | | | | | | | |
| * + - 1. The Bank/Client has provided the FAR of the company. During the site survey we have cross verified the major machines/ process line as per the FAR. | | | | | | | |
| * + - 1. We have been provided some copy of invoices of the machines which is installed at site and we also checked in the company ledger for the cost of the machines. | | | | | | | |
| * + - 1. Market information are gathered for some machines that are particular plants and equipment. However, the market price for some machines is offered for comparable new machines. The bench mark cost of the plant has been checked. | | | | | | | |
| * + - 1. As per information provided, the plant was commissioned in the year 2004 and started its production in the year of 01/04/2005. The Plant further expanded in 2011 for two Kilin and in year 2022 for SMS Division, captive power plant, rolling mill and two DRI Kilin 650 TPD each. During the survey the plant was in operational and working condition. | | | | | | | |
| * + - 1. The plant manufacturing products are sponge iron, Billets, TMT Bars. | | | | | | | |
| * + - 1. The overall physical conditions of machine is good. | | | | | | | |

**Plant and Machinery Phase Vise**

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| **Phase** | **Sum of Purchase Price** | **Sum of GCRC** | **Sum of Estimated Depreciated Value** |
| Common Use | 24,27,23,398 | 30,57,51,580 | 13,14,30,343 |
| Existing | 1,21,55,57,918 | 1,74,60,59,191 | 79,98,72,565 |
| Phase 1 | 1,23,58,50,229 | 1,29,02,39,726 | 1,21,93,38,862 |
| Phase 2 | 95,46,53,541 | 97,21,07,461 | 93,75,97,646 |
| Phase 3 | 2,42,95,11,356 | 2,43,14,09,411 | 2,40,35,52,044 |
| **Grand Total** | **6,07,82,96,442** | **6,74,55,67,368** | **5,49,17,91,460** |

*Information compiled as above on request of the Bank*.

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|  | **CONSOLIDATED VALUATION ASSESSMENT OF THE ASSET** | | |
| **S.No.** | **Particulars** | **Book Value** | **Indicative & Estimated Prospective Fair Market Value** |
|  | Land Value (A) | **Rs.5,83,60,624/-** | **Rs. 1,08,88,15,446 /-** |
|  | Building Structure Value (B) | **Rs. 65,28,70,108/-** | **Rs.51,12,54,275/-** |
|  | Boundary Wall and Internal Road(C) | **--** | **Rs. 2,85,00,000/-** |
|  | Plant and Machinery (D) | **Rs.5,15,06,98,529/-** | **Rs. 5,49,17,91,460 /-** |
|  | **Total Add (A+B+C +D)** | ---- | **Rs. 7,12,03,61,181/-** |
|  | Additional Premium if any | NA | NA |
| Details/ Justification | NA | NA |
|  | Deductions charged if any | **---** | **---** |
| Details/ Justification | **---** | --- |
|  | **Total Indicative & Estimated Prospective** Fair Market Value | **---** | **Rs. 7,12,03,61,181/-** |
|  | **Rounded Off** | **---** | **Rs. 7,12,00,00,000/-** |
|  | **Indicative & Estimated Prospective** Fair Market Value in words | **---** | **Rupees Seven Hundred Twelve Crore Only.** |
|  | **Expected Realizable Value (@ ~15% less)** | **---** | **Rs.** **6,05,20,00,000/-** |
|  | **Expected Distress Sale Value (@ ~25% less)** | **---** | **Rs.** **5,34,00,00,000/-** |
|  | **Percentage difference between Circle Rate and** Fair Market Value | More than 20% | |
|  | **Likely reason of difference in Circle Value and Fair Market Value in case of more than 20%** | 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. | |
|  | **Concluding Comments/ Disclosures if any** | | |
| 1. We are independent of client/ company and do not have any direct/ indirect interest in the property. 2. This valuation has been conducted by R.K Associates Valuers & Techno Engineering Consultants (P) Ltd. and its team of experts. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. | | |
|  | **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 marker 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.* | | |
|  | ***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. 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***

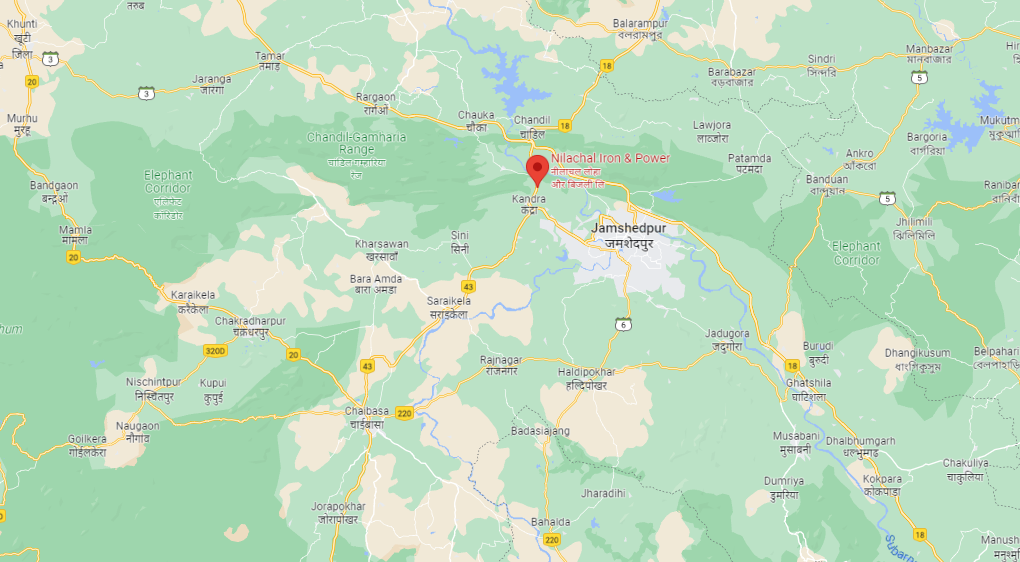
***NOTE:*** *As per IBA Guidelines in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that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

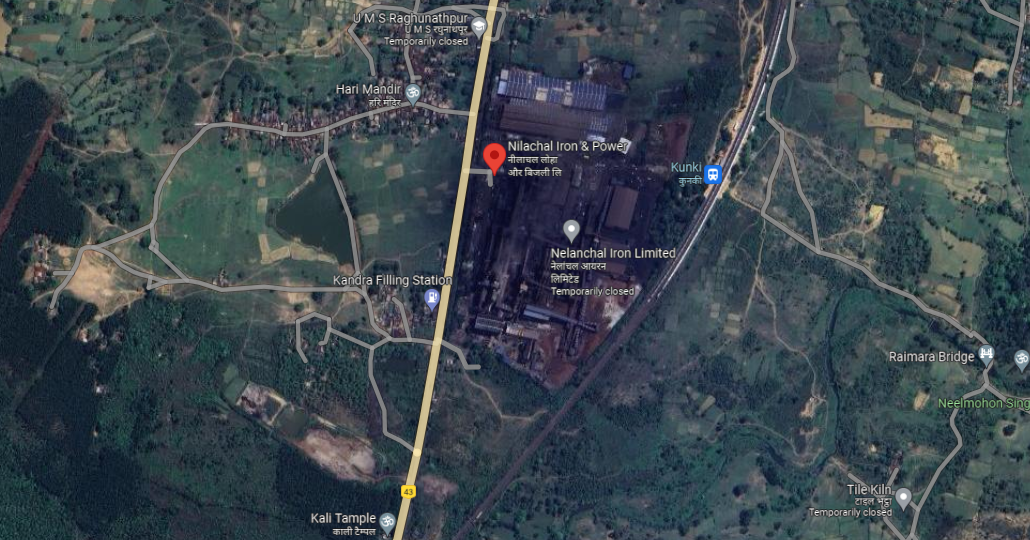
***At our end we have not verified the authenticity of any documents provided to us. Bank is advised to verify the genuineness of the property documents before taking any credit decision.***

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

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| SURVEY ANALYST | VALUATION ENGINEER | L1/ L2 REVIEWER |
| Rahul Gupta and Amit Jaiswal | Rahul Gupta | Sr.VP Projects |
|  |  |  |

**ENCLOSURE: I – GOOGLE MAP LOCATION**

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

**NO REFERENCES ON PRICE TREND OF THE SIMILAR RELATED PROPERTIES AVAILABLE ON PUBLIC DOMAIN**

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

**Land and Building**

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**Plant and Machinery**

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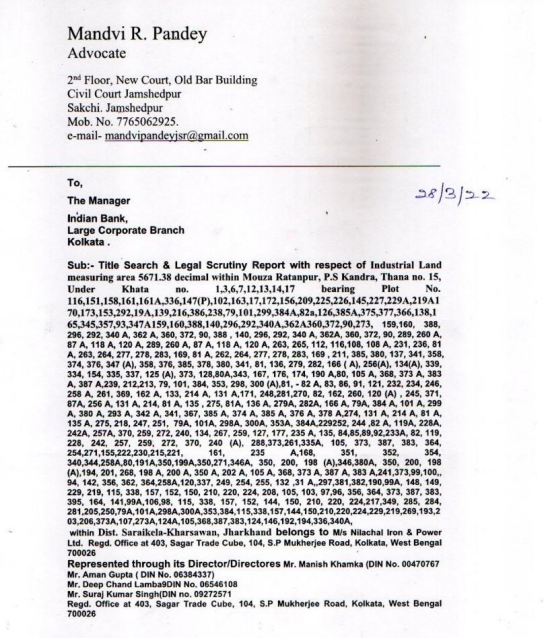
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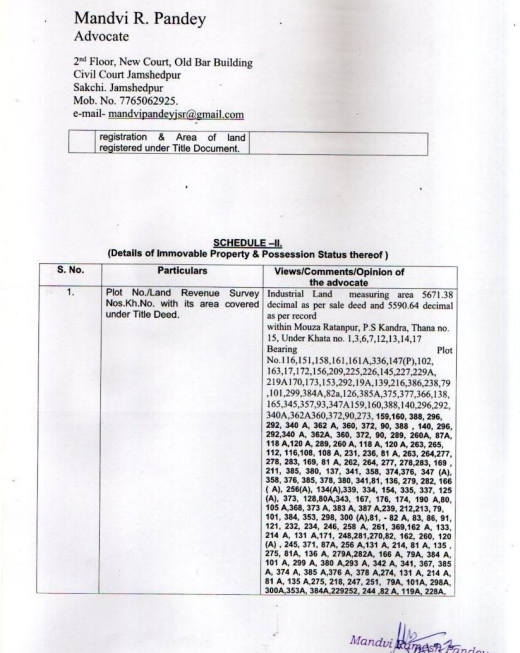
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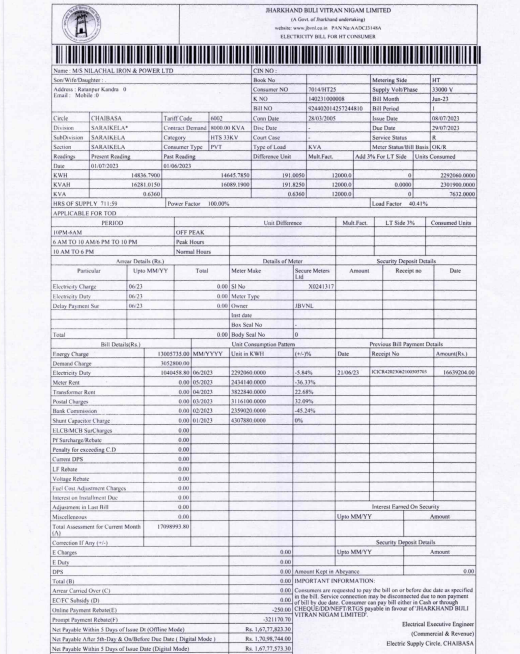
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**ENCLOSURE V: IMPORTANT PROPERTY DOCUMENTS EXHIBIT**

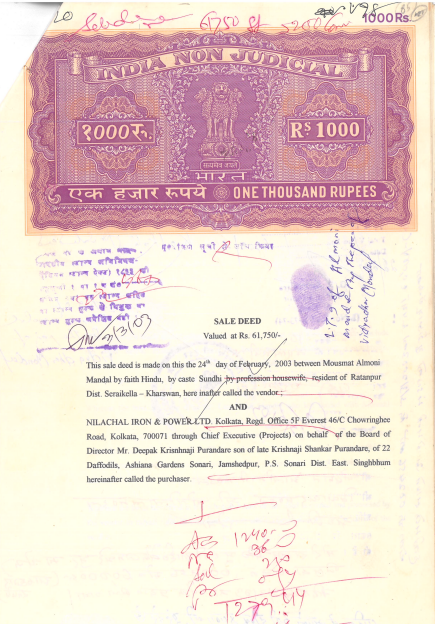
**TIR**

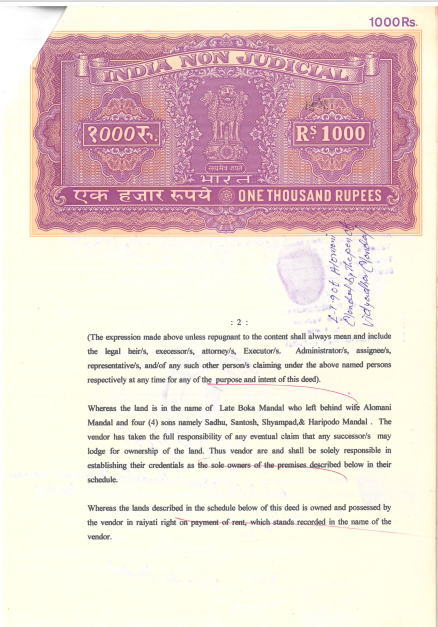
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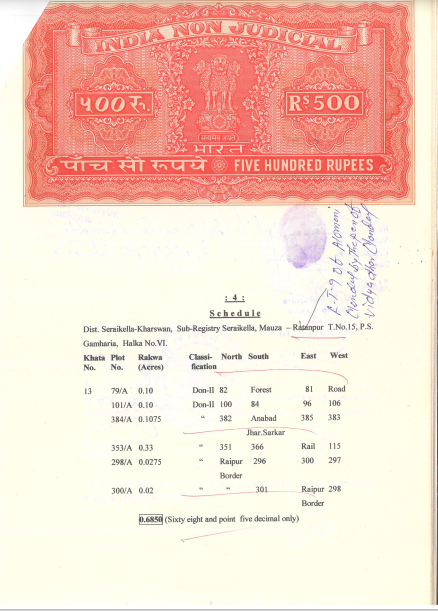
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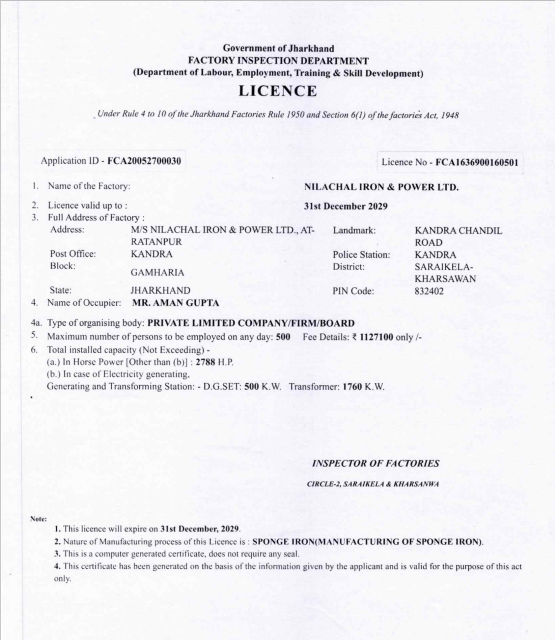
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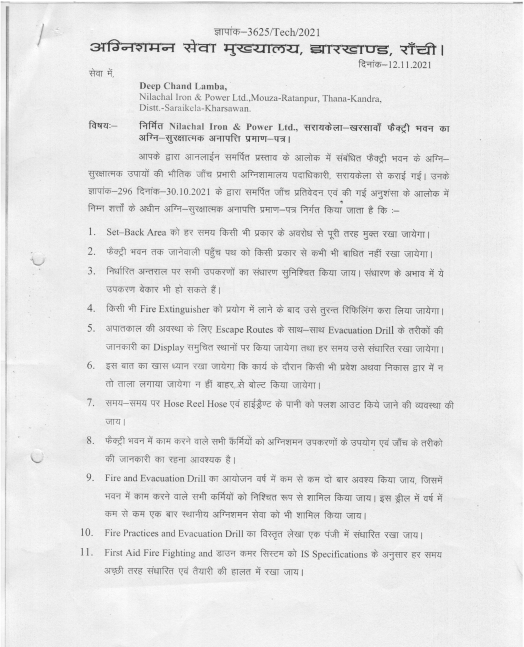




**FACTORY LICENSE**

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**POLLUTION CERTIFICATE**



**ENCLOSURE VIII**

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| **VALUER’S IMPORTANT REMARKS** |

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|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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 |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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 as free market transaction. |
|  | 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. |
|  | 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. |
|  | 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 in 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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 financer 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | **Defect Liability Period is 15 DAYS.** 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 [**valuers@rkassociates.org**](mailto:valuers@rkassociates.org) 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |
|  | 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. |