

VALUATION REPORT

OF
PLANT AND MACHINERY
INSTALLED
AT

M/S AMICO TEXTILES
Village Bir Plassey, Nalagarh-Ropar Road, Nalagarh, District Solan
HIMACHAL PRADESH

Date of Inspection : 05th February 2022

Date of Report : 07th February 2022

Fair Market Value : Rs. 2,47,50,000/=

Realizable Sale Value : Rs. 2,10,38,000/=

Distress Sale Value : Rs. 1,73,25,000/=

Presented To :

The Assistant General Manager
Indian Bank
SAM Branch, Sector 17-B
CHANDIGARH.

Prepared By :

Jaspal Singh
B.E (Mechanical), MBA
Chartered Engineer and Govt. Approved Valuer for
Plant and Machinery

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Chartered Engineer and Govt. Approved Valuer

Reference No. : Val/Indian/2020-21/059

Dated: 07th February 2022

The Assistant General Manager
SAM Branch, Indian Bank
SCO 49-50
Sector 17-B
CHANDIGARH

Sir,

As per your requirement conveyed telephonically, I am presenting the valuation report of Plant and Machinery, installed at **M/S AMICO TEXTILES, Village Bir Plassey, Nalagarh** for your perusal

GENERAL

- 1 Purpose for which valuation is made : The valuation has been done for the SAM Branch, Indian bank purposes to determine Fair Market Value of the machinery.
- 2 Date of Inspection : 05th February 2022, accompanied by bank officials, Mr. Ramesh Lal, Chief Manager and Mr. Chander Prakash Negi, Manager and Mr. Pawan Sharma, former Production Manager of Amico Textiles.
- 3 Name of the unit : **M/S AMICO TEXTILES**
Village Bir Plassey, Nalagarh- Ropar Road, Nalagarh
District Solan
HIMACHAL PRADESH. Pin : 174101
GST Number : 02AAQFA9823K2Z5
- 4 Whether the unit is Prop./Limited Co. Co-Operative : Partnership concern established on 15.10.2009 and registered with Registrar of Firms & Societies, Solan, HP vide Registration number 18 dated 18.12.2009.
Main partners as per bank are Mr. Sandeep Garg, Mr. Sumit Mohan, Mr. Amit Mohan and Mr. Ankur Kapoor.
- 5 Since set up and put in operation : The unit was set up in approximately 2009 as per available information for the manufacturing of Polyester Staple Fiber and non woven fabric.
- 6 Brief Description of the unit : The unit was set up to produce Polyester Staple Fiber by re-cycling old/ used and discarded PET plastic bottles.
- 7 About the product and process

Polyester Staple Fiber is a synthetic man made from PET/ Polyester waste and post consumed/ discarded PET bottles. Polyester Staple Fibre (PSF) has emerged as the fastest growing fiber amongst all types of manufactured fibers. Polyesters are made by polymerisation of Purified Terephthalic acid (PTA) and mono Ethylene Glycol (MEG). The polymer thus obtained is melt spun and the bundle of


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continuous filaments obtained by melt spinning is called tow. The tow is subjected to further processes like drawing, crimping, spin finish application and then cut into fixed lengths to get cut fibers almost equal in length to cotton fibers. These cut fibers are known as Polyester Staple Fibers. Raw material in the form of old/discarded/scrapped PET bottles are sourced from the local market and nearby places. The Fiber thus produced is bailed out to be stocked/ marketed for the production of yarn.

8 Application of the product

PSF is used in Non-woven carpets, wadding, filtration industries as a polyfil for stuffing cushions, pillows, soft toys, quilts. It's also used for spinning yarns and making geotextiles. Now PSF gives good resilience properties and is used to make premium pillows, cushions and quilts. It also contribute towards cleaner environment by recycling of non bio degradable plastic waste which is a major environmental concern these days.

9 Purpose for which machinery is installed

: For the production of Polyester staple fiber as explained in serial 6 above

10 Physical condition of Plant and Machinery

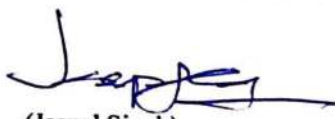
: The unit was set up with installed capacity of 1000 MT per month of undyed polyester fiber of 3 denier which got reduced to 500 MT per month because of reduction in denier to 1.5 due to change in demand and tastes of customers.

9 Whether the plant and machinery of the unit is intact

: The unit started its commercial production in the year 2011. The major machinery is already around 11 years old and was being operated at around 20-25% capacity utilisation for the past around 2-3 years due to flooding and problem of water logging in the factory and reduction of the orders. At the time of inspection the factory was completely shut down and was supposed to be out of production for the last around three years. The machinery is rusted and corroded, covered with dust and bird droppings, fully exposed to extremities and vagaries of weather lying unattended. The moving parts appeared to be jammed due to severe rust and corrosion and thick layer of mud can be seen on the floor signifying residual impact of flooding.

10 Valuation of Plant and machinery

Approx.
: Fair Market Value (FMV) in Rupees is 2,47,50,000.
Realisable Value (85% of FMV) in Rupees is 2,10,38,000.
Distress Value (70% of FMV) in Rupees is 1,73,25,000.



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List of Machinery
At
M/S AMICO TEXTILES
Village Bir Plassey, Nalagarh Ropar Road, Nalagarh, District Solan, HP

S.no	Description of the machine	Qty	Approximate Fair Market Value in Rs.(Lac)
1	2	3	4
1	Spinning section		
	including selos (8), vacuum driers, 75mm dia screw extruder machinery(3), CPF series melt filters vacuum furnace, etc of Chinese origin	complete set	34.00
2	Draw Line Section		
	Machine for production of Recycle Polyster Fiber including Creel stand, creel guide stand, Pre-wetting bath, First drafter, Spin finish oil bath, second drafter, Steam Chest, Third drafter, Stacker Roll, Steam Box, Tension Device (57) Crimper (S 655 W), Relaxer, Fiber Cutter and Bale Packing machine of Chinese origin. Made By: M/S Zhangjiagang Gangying Industry Co. Ltd. Country of Origin: CHINA Year of manufacture : 2011-12	complete set	145.00
3	Utility Section		20.00
	including Air Handling Unit (AHU), Thermax Chillers, Elgi make compressors, Cooling Tower, Thermic fluid heater(Thermotech Make), Effluent treatment plant etc		
4	Electrical Section		34.00
	including Universal, Indore make Transformer, Electrical panels, LT Panel, VCB and kirloskar make DG set of 750 KVA Model : 600 WS3 Serial Number 111 and Mfg. date 20.08.2011		
5	Miscellaneous items like laboratory equipments, mechanical work shop machines like lathe, shaper grinder welding set, gear boxes, belts, bearings, densifier, pumps, dies, jigs & fixtures, pulleys Godrej Fork Lifter, electrical motors, scrap that includes discarded/ defective/ corroded/junked machinery lying in the open and other small, unaccountable and left out items.	Lot	6.00
6	Scrapped Washing line		8.50



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Fair Market Value		247.50
Realisable Value (85% of FMV)		210.38
Distress Value(70% of FMV)		173.25

OBSERVATIONS

Taking into consideration the economic residual life, the working conditions, replacement cost, the scope of the product manufactured, market conditions, availability of similar machines in the replacement market, the technology involved, the machinery used, the approximate Fair Market Value of the machinery lying at **M/S Amico Textiles**, Village Bir Plassey, Nalagarh Ropar Road, Nalagarh, District Solan, is Rupees Two Crore Forty Seven Lac and Fifty Thousand only.

the Realisable value is Rupees Two Crore Ten Lac and Thirty eight Thousand only

and the Distress Sale value is Rupees One Crore Seventy Three Lac and Twenty Five Thousand only.

Fair Market Value or FMV is estimated amount, expressed in terms of money(cash or cash equivalent), that may be reasonably expected for a property, in an exchange between a willing buyer and a willing seller, neither under any compulsion to buy or sell and both fully aware of all relevant facts as of specific date.

Realizable value is defined as selling price of an asset less the expenses in the sales transaction. It is generally equal to the selling price of the inventory goods less the selling cost (completion and disposable)

Distress value is the value of the assets received when goods are sold on urgent basis which often leads to selling in loss and realizing true worth of the goods traded.

- * No consideration has been given to liens or encumbrances, which may be against the property towards Government/ Semi Government/ Service providers.
- * The above mentioned prices are just suggestive/estimated keeping in mind the type,manufacturer, brand, model, technology they are based on ,the extent of usage, physical condition of the machines among other particulars and were arrived at with the help of internet searches and discussion among people in the similar line of business and those dealing in sale/purchase of old and used machinery.

Approach to Valuation

Out of the three approaches being used to estimate fair maret Vaue of the machinery, viz Cost approach, Market approach and third Income approach, market approach has been used in this case. Cost approach was not used because, no data in the form of Fixed asset register, invoices or bills of machinery purchase were provided by the company.

Income approach was not applicable as the unit is out of production for the last more than three years and no data about the production capacity or it's returns in the form of sales of goods was available.

Prior, to being shut down completely, the unit was operational at just 20-25% capacity.

- * The valuation has been done by following Market Approach on the basis of machinery installed their physical condition, country of origin, scope of product being manufactured, availability of alternatives, time span for which the machinery is out of use, level of maintenance, obsolesence and on the basis of inputs received from the internet while surfing for similar machinery and my own experience as registered valuer for plant and machinery for the last more than 10 years in absence of any Fixed Asset Register, data or record of the company's functioning in the form of financial parameters or production figures.

- * Valuation has been done for **in-situ and closed down business**.

- * Only those components of plant and machinery which were shown to the under signed have been taken into consideration. For the purpose of valuation it is assumed that the machinery lying in



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the unit is owned by the unit.

The report is confidential to the client and only for the specific purpose to which it relates. The client shall not disclose the report to any other person.

The report is not to be reproduced either whole or any part of it for any reference there to may be included in any published document, circular or statement nor published in any way without the valuer's prior permission of the form and context in which it is to be made.

No responsibility can be accepted to any third party in respect of whole or any part of the report.

Above mentioned valuation is based on visual examination only at the time, place and assessable areas of inspection and are my personal, impartial, unbiased professional analyses that is true to the best of my knowledge and belief.


DECLARATION

I hereby declare that:

- * The valuation has been carried out as per request of Indian Bank, SAM Branch, Chandigarh.
- * I have personally visited and inspected the machinery on 05.02.2022.
- * I have no direct or indirect interest in the machinery/unit being valued.
- * It is understood this report is meant for bank purpose only and is not subject to any techno-legal observations and is subject to acceptance/ rejection at the discretion of competent authorities.
- * The valuation figure arrived at is just an opinion and may differ from time to time and person to person. It may vary with changing circumstances, market trends, keeping in mind one's exposure, experience, knowledge and estimation. Thus this valuation does not bind the undersigned and is neither answerable nor responsible for difference of opinion, if any, with other valuers about increase or decrease in the value of the machinery or with the sale/ realization of the asset value.
- * If any discrepancy in the report is observed, the same may be brought to the notice within 15 days in writing, lest it will be presumed that the report has been accepted in totality.
- * I have not been found guilty of misconduct in my professional capacity.
- * I have not been convicted for any offence or sentenced to a term of imprisonment.
- * I abide by the Model Code of Conduct for empanelment of valuer in the bank.
- * As a Government Registered Valuer with CCIT, Chandigarh under Wealth Tax Act 34 AB for Plant and Machinery and Indian Bank, Sarfaesi Valuer, I am authorized and competent to sign this valuation report.
- * I have exercised due diligence in furnishing the above information

I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment and am issuing this report in good faith without any bias or prejudice.

Regards



(Jaspal Singh)

JASPAL SINGH Chartered Engineer and Registered Valuer for Plant and Machinery

Chartered Engineer &

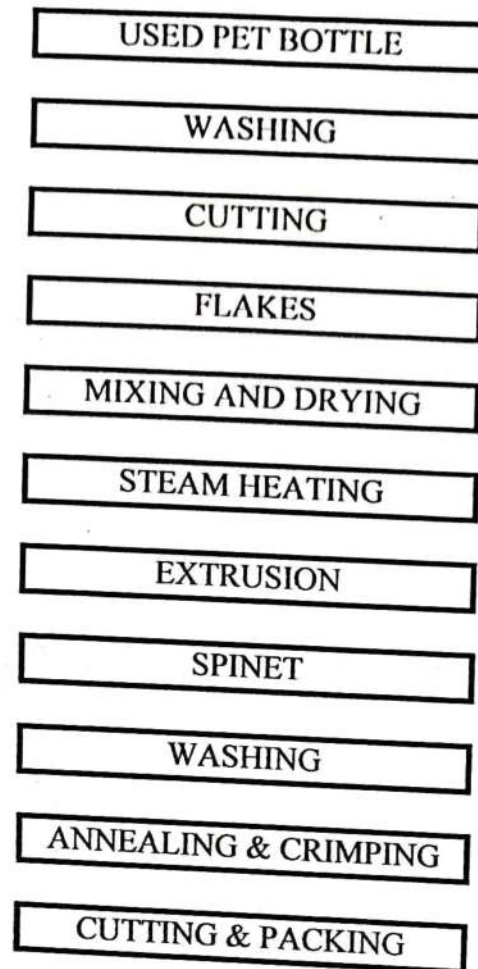
Govt. Approved Valuer

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Enclosures:
Original Photographs
Professional Fee Bill

FLOW DIAGRAM SHOWING MANUFACTURING PROCESS
(POLYSTER STAPLE FIBER)



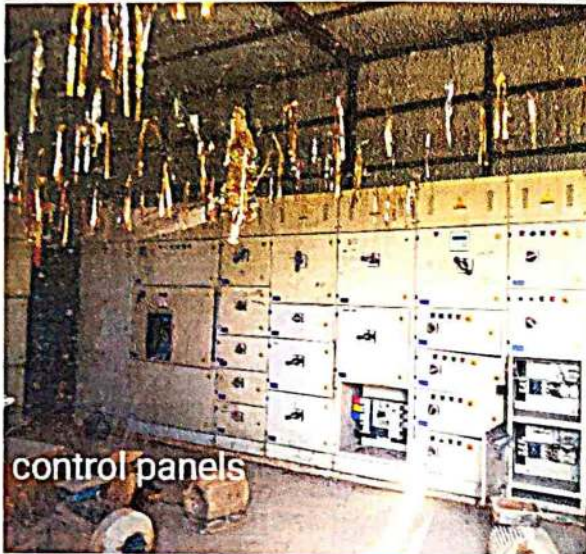
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Densifier



DC Set



control panels

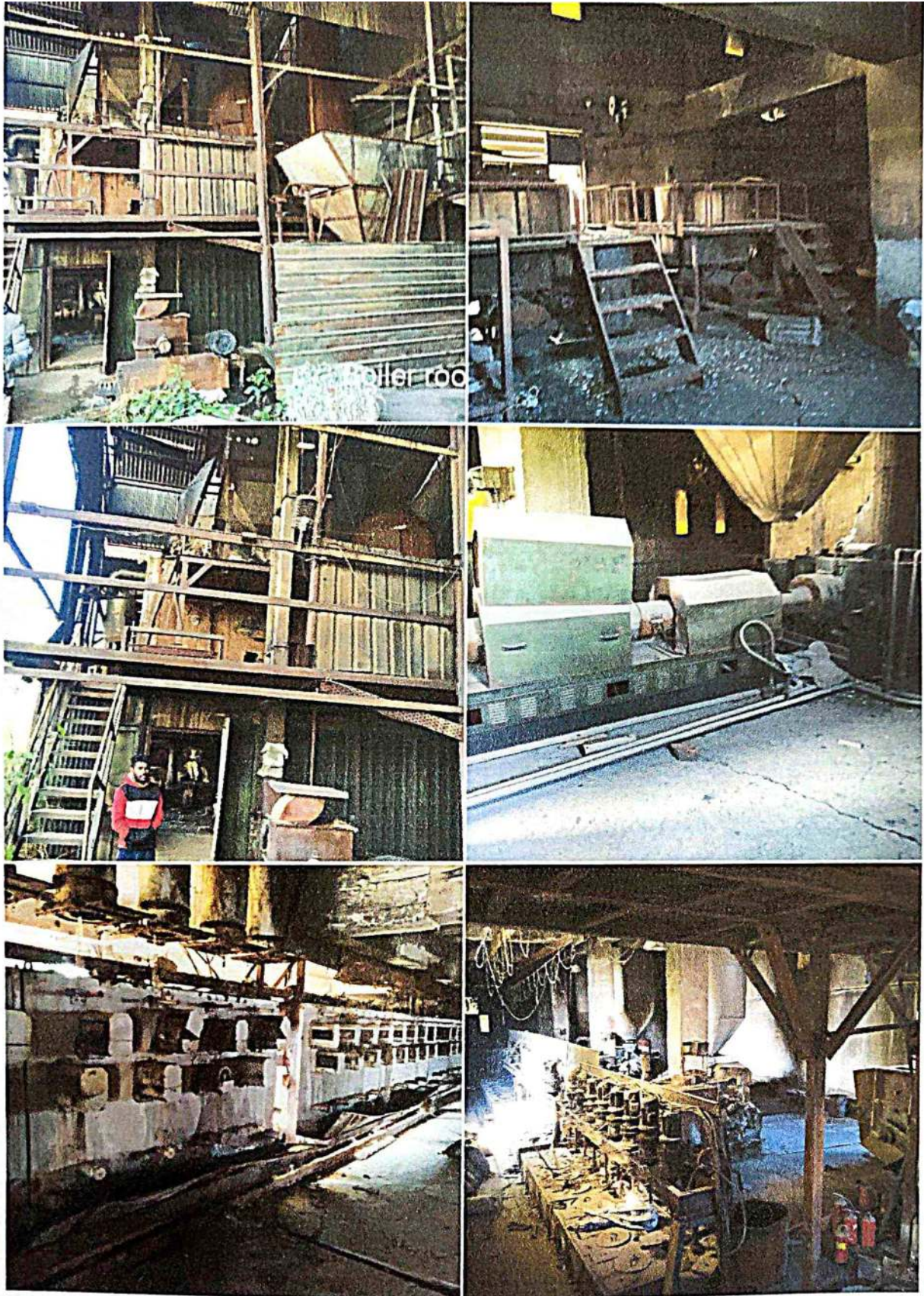


treatment



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