**REPORT FORMAT:** CL-1 | Version: 1.0\_2018

# FILE No: VIS (2023-24)-PL503-419-639 Date :31/10/2023

* **CERTIFICATE NAME:** Land, Building & Plant Machinery cost Validation certificate.
* **PREPARED FOR ORGANIZATION:** SBI SME Ranipur, Haridwar.
* **BORROWER COMPANY’S NAME:** M/s. Upkar Pharmaceuticals
* **ASSET TYPE**: Land, Building & Plant Machinery unit installed at Paonta Shahib, H.P.

**CURRENT LOCATION OF THE CIVIL WORK**: M/s Upkar Pharmaceuticals, 101, Industrial Area Gondpur, Paonta Sahib, Distt. Sirmaur, Himachal Pradesh - India

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| **S. NO.**  | **PARTICULARS**  | **DESCRIPTION**  |
|  | Date of Work Order  | Via mail dated 27-10-2023 |
|  | Documents provided for perusal  | Project Report of M/s. Upkar Pharmaceuticals  |
|  | Project Location | M/s. Upkar Pharmaceuticals, 101, Industrial Area Gondpur, Paonta Sahib, Distt. Sirmaur, Himachal Pradesh - India |
|  | Borrowing Company  | M/s. Upkar Pharmaceuticals |
|  | Type of Asset | Land, Building & Plant Machinery unit installed at Paonta Shahib, H.P. |
|  | Type of Assessment  | Land, Building & Plant Machinery cost Validation certificate |
|  | Scope of Assessment  | Land, Building & Plant Machinery cost Validation attached below.

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| **S. No.** |  **Cost Component** | **Original Project Cost**  | **Revised Project Cost**  |
|  | Land | Rs.1,65,00,000/- | Rs.1,24,00,000/- |
|  | Building | Rs.2,88,00,000/- | Rs.2,43,48,804/- |
|  | Plant Machinery | Rs.4,97,00,000/- | Rs.4,81,00,000/- |

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|  | Nature of Plant | Pharmaceutical Industry |
|  | Total Project Cost  | **Original /Previous: Rs.9,50,00,000/**-(**Including Land, Building & Plant Machinery)****Revised: Rs.8,48,48,804/- (Including Land, Building & Plant Machinery)** |
|  | Comment on Project Cost by consultant  | As per our analysis, the revised cost for Land, Building & Plant. Machinery found to be in line to Market trend. |
|  | Total number of pages with Annexure. | 07 |

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| **VALUATION ENGINEER** | **L1/ L2 REVIEWER** |
| Amit Jaiswal | Abhinav Chaturvedi |
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| **PART A** | **PROJECT COST VETTING** |

**EXECUTIVE SUMMARY:** M/s Upkar Pharmaceuticals is a Medicine manufacturing unit at IA Gondpur, Sirmaur, H.P. Mr. Shivansh rai is Acquiring the plant along with the machineries & Equipments In this respect, they required financial assistance for Acquiring the plant. In respect to financial assistance of this Project, M/s Upkar Pharmaceuticals has approached SBI, SME Ranipur, Haridwar. As per SBI. SME Ranipur the original project cost of the project as shown by the company is Rs.9,50,00,000/- (Including Land, Building & Plant Machinery).

| **Sr. No.** | **Description** | **OriginalAmount as per company (excluding GST)** | **Amount as per RKA (including GST)** |
| --- | --- | --- | --- |
| 1 | Land | Rs.1,65,00,000/- | Rs.1,24,00,000/- |
| 2 | Building | Rs.2,88,00,000/- | Rs.2,43,48,804/- |
| 3 | Plant Machinery | Rs.4,97,00,000/- | Rs.4,81,00,000/- |
| **Total amount** | **Rs. 9,50,00,000/-** | **Rs.8,48,48,804/-** |

***As per the Project Report shared by the client, the estimated Land, Building & Plant Machinery cost for the said Pharmaceutical unit is Rs.9,50,00,000/-. However, as per analysis and market research for the subject unit cost of the said Land, Building & Plant Machinery should be Rs.8,48,48,804/-. Thus, we can say that the Project Report shared by the client is in line with the market trends and is fair & reasonable.***

**REVALIDATION OF THE PROJECT COST:** Since as per the summary of the original and revised cost involved in civil work, the cost has been decreased:

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| --- | --- | --- | --- |
| **S. No.** | **Cost Component** | **Original Cost** | **Revised Cost** |
|  | Land | Rs.1,65,00,000/- | Rs.1,24,00,000/- |
|  | Building | Rs.2,88,00,000/- | Rs.2,43,48,804/- |
|  | Plant Machinery | Rs.4,97,00,000/- | Rs.4,81,00,000/- |

Therefore, in this certificate we have revalidated the cost involved in Land, Building & Plant Machinery as per the scope of the work mentioned in the provided Project Report.

**LAND:** The revised cost involved the current market rates for our subject land after assessing the market conditions like location, size and shape of land.

**BUILDING:** The revised cost of building involved the type & condition of structures verified along with their heights at the time of site visit.

**PLANT MACHINERY:** The revised cost of P&M involves the calculation of the depreciated replacement cost by the cost approach method according to the economic life of the machines/equipment.

During site visit our surveyor, Mr. Deepak Joshi has cross verified all the building structure land area and plant machinery.

**DISCLAIMERS**

1. We have received Project report for land, building & plant machinery.
2. The client/ owner and its management/ representatives warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us either verbally, in writing or through documents has been relied upon in good faith and we have assumed that it is true & correct without any fabrication or misrepresentation. I/We shall not be held liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents.
3. Legal aspects for e.g. Investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, and 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. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4. 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.
5. 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.
6. Documents, information, data including 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 owner’s name, etc., it is only for illustration purpose and may not necessarily represent accuracy.

# IMPORTANT DOCUMENTS



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| **VALUATION SUMMARY** |
| **S. No.** | **Particulars** | **Total Acquisition Cost** | **Gross Current Replacement Cost** | **Fair Market Value** |
| **1** | **Plant & Machinery and other equipment’s** | **₹ 7,10,94,250** | **₹ 8,48,96,690** | **₹ 4,80,93,989** |
| ***Notes:*** |
| *1. Assets like Plant & Machinery and other related equipment’s pertaining to M/s Upkar Pharmaceuticals, I.A.D.A. Plot No. 101, Industrial Area Gondpur, Paonta Sahib, Distt. Sirmaur (H.P.)* |
| *2. For evaluating useful life of assets, chart of Companies Act-2013 and generally accepted market standards are referred in this assessment to reach the final economical life of a particular asset.* |
| *3.During the site visit conducted by our engineering team on 11/10/2023, the plant was physically inspected by our team. Different sections set up inside the plant were visually inspected.* |
| *4. For the assets whose invoices are available with us, the rate of Inflation has been assessed with the help of price indices of commodities. Price indices have been referred from the Office of Economic Advisor (Government of India). Further Inflation in respective commodity has been evaluated and applied to the respective capitalization cost to reach its Gross Current Replacement Cost.* |
| *5. Book value is considered as per the information provided during site survey.* |
| *6. Only those assets / equipment’s have been considered which have been physically inspected at the time of site survey.* |
| *7. The plant was operational at the time of site inspection.* |
| *8. Overall physical condition of the Plant and machinery is good.* |