

Jaspal Singh

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Chartered Engineer and Govt. Registered Valuer (Plant & Machinery)

Fellow, Institution of Valuers, Delhi : F-17860

Member, Institution of Engineers, Kolkata, : M-138980-1

Registration under Company Act : IBBI/RV/10/2021/14442

Wealth Tax Act 34AB Registration No.: CCIT/CHD/TECH/2015-16/564 dt 08.06.2016

Address : Plot Number 41, Phase - IX, Focal Point, (Opp.Swaraj Engines), MOHALI (SAS NAGAR), PIN : 160062

Reference No. : Val/Indian/2023-24/0108

Dated: 20th November 2023

The Assistant General Manager

SAM Branch

Indian Bank

Sector 17-B

CHANDIGARH

Sir,

As per your requirement, I am presenting the valuation report of Plant and Machinery, installed at M/S Friend Cold Storage, Ludhiana for your perusal

GENERAL

- 1 Purpose for which valuation is made : The valuation has been done for the bank purposes.
- 2 The Date of Inspection : in the presence of Mr.Balwinder Singh
the unit operating staff.
- 3 Name of the unit : **M/S FRIEND COLD STORAGE.**
Address : Ward No. 9, Village Saloudi, Tehsil Samrala
LUDHIANA. Pin Code : 141114
- 4 Whether the unit is Prop./Lilimited Co.
Co-Operative : Partnership Firm.
Partners being, Mr. Vikramjit Singh s/o Mr. Kaka Singh
Mr. Vikramjit Singh, S/O Mr.Hardyal Singh,
Mr. Kulwant Singh and Mr. Harpreet Singh.
- 5 Since set up and put in operation : The unit was set up and started operation around 2015.
- 6 Brief Description of the unit : The cold storage was set up for the storing of agri-
cultural produce comprising of fruits and vegetables in
controlled environment to protect them from the
vagaries of nature and prolong their shelf life.
The Ammonia based cold storage has 6 chambers
having sizes as :
16.61 m * 14.78 m * 13.3 m - 2 Nos@ 2 Deg C
16.61m*9.45m*13.3m - 1 No. @ 2 Deg C
16.61m*9.45m*13.3m - 1 No. @ -25 Deg C
16.61m*16.61m*13.3m - 2 Nos @ 2 Deg C
for bulk handling under controlled temperature and



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humidity having storage capacity of approximately 5094 MT for preserving perishable commodities like potato, green peas and apples etc. between production and marketing/processing

- 7 Purpose for which machinery is installed : For storage of agricultural produce as explained in serial 6 above.
- 8 Physical condition of Plant and Machinery : The Plant was in operation at the time of inspection and the refrigeration system which was installed in 2015 is working satisfactorily. The machinery is latest as per prevalent and contemporary technology.
- 9 Whether the plant and machinery of the unit is intact : The unit was in operation at the time of inspection with approximately more than 10 workers on the job. So, it can be safely assumed that the machinery is in working condition.
- 10 Valuation of Plant and machinery : Approximate
Fair Market Value, FMV in Rupees is **131.25 Lac**
Realisable Value(90% of FMV)in Rupees is **118.13 Lac**
Distress Value (80% of FMV) in Rupees is **105.00 Lac**



(Jaspal Singh)

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List of Machinery
At
M/S FRIENDS COLD STORAGE
Ward No. 9, Village Salodi, Tehsil Samrala, LUDHIANA. Pin: 141114

S.No	Description of the machine	Qty	Approximate Replacement Cost New in Rs. (Lac)	Approximate Depreciated Replacement Cost in Rs. (Lac)
1	2	3	4	5
	Ammonia based refrigeration system comprising of:			
	Single stage compressor with suction and discharge stop valves, flywheel etc.			
1	One number Kirloskar make Compressor,	1		
	Model : KC-3, Specification number : 337010			
	Serial Number : 337K4362, YOM : Jan 2015			
	Bore : 160 mm and stroke : 110 mm having max. pressure of 21 kg/cm ²			
	along with kirloskar make 55 KW, 3 phase induction electric motor bearing Machine Number BJJ55-20			
2	One number Kirloskar make Compressor,	1		
	Model : KC-4, Specification Number : 338010			
	Serial Number: 338K5219, YOM : February 2015			
	Bore : 160 mm and stroke : 110 mm having max. pressure of 21 kg/cm ²			
	along with kirloskar make 75 KW, 3 phase induction electric motor bearing Machine Number BJJ56-11			
	Ammonia based refrigeration system comprising of:			
	Double stage compressor with suction and discharge stop valves, flywheel etc.			
3	Ceiling suspended ammonia air cooling units	11		
	fabricated from Stainless steel pipe and fitted with aluminum fins, blower section comprising of axial fans each driven by suitable HP motor and drain pan.			
4	One number Ammonia Liquid receiver complete with gas inlet valve liquid outlet valve, purge valve safety valve gauge glass etc			
5	Evaporative condenser with pipe lines , tanks and all standard accessories.	1 set		
6	Water circulation system with 2 nos drives pumps and pipings			
7	Main Entry gates to Cold chambers	6		
	The refrigeration system has been provided by			
	Mumbai based M/S Neptune Refrigeration Company			

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	Private Limited.			
8	500 KVA (11000/433) Electrical distribution Transformer (YOM 2016) supplied by Ludhiana based M/S Guru Nanak Electric Works including electrical control panels bearing serial number 1402/16	1		
	Approximate Fair Market Value in Rs. (Lac)		250.00	131.25
	Realisable Sales Value (85% of FMV)			118.13
	Distress Sales Value (70% of FMV)			105.00

OBSERVATIONS

- * Taking into consideration the Economic Residual life, the working conditions, replacement cost in setting up a similar unit, the scope of the product being manufactured, the technology involved, the machinery used the approximate Depreciated Replacement Cost of the machinery installed at the unit **M/S Friend Cold Storage**, Ward No. 9, Village Saloudi, Tehsil Samrala, District Ludhiana in Rupees is approximately One **Crore** Thirty One **Lac** and Twenty Five **Thousand** only. The Realisable value (90% of FMV) comes to about Rupees One **Crore** Eighteen **Lac** and Thirteen **Thousand** only. The Distress Value (80% of the FMV) comes to about Rupees One **Crore** and Five **Lac**.

Fair Market Value or FMV is estimated amount, expressed in terms of money (cash/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)

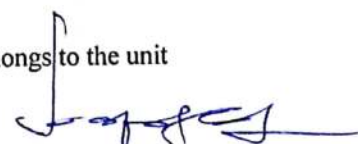
Distress value is the value of the assets received when goods are sold on urgent basis which often leads to selling in loss and realizing true worth of the goods traded.

- * No consideration has been given to liens or encumbrances, which may be against the property towards Government/ Semi Government/ Service providers.
- * The valuation has been done on the basis of machinery installed "**in- situ**" condition "**in existing use**" for a **going concern** and as a whole unit on the basis of inputs received from the bank.
- * Life of the machinery has been taken to be 15 years as per Schedule 2 of Company's Act for estimation of Fair Market Value (FMV).
- * 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 the premises belongs to the unit being valued.

Basis Of Valuation

Out of the three approaches used for valuation of plant and machinery, viz Cost approach,



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Market approach and Income Approach, I have used Cost Approach.

The Market Approach was not used due to absence of any reference sale of any similar plant and machinery in/around Ludhiana or Punjab that can be referred to arrive at an approximate value.

Income Approach was not used due to absence of any information regarding running of the plant like balance sheets, trading or Profit and loss accounts that could give any idea about the working or profitability of the unit.

The valuation was done following Cost Approach.

As per the website of The Agricultural Promotion & Investment Corporation of Odisha (APICOL), the approximate cost of setting up of 5000 MT ammonia based cold storage plant is Rupees 5.5 Crore. these days complete including land, building and machinery. Though the land price and labour costs vary as per site.

Taking value of land and building, including PUF panels as Rupees 3.0 Crore, the portion for machinery comes out to be approximately Rupees 2.5 Crore. Now depreciating this Replacement Cost New keeping in mind the physical condition, functional obsolescence, level of maintenance, availability of options for the buyers, the extent of usage, level of technology of the machines among other particulars, the approximate Depreciated Replacement Cost of the machinery installed at the unit was worked out considering 5% residual value and economic residual life as 7 years.

- * It is understood this report is meant for bank purpose only and is not valid for any other legal purposes and is subject to acceptance/ rejection at the discretion of competent authorities.
- * During my visit to the unit the available machinery was noted down and their plates were checked for specifications, make, year of manufacture, name of supplier etc.
The assets were verified to be in place and working or capable of working (unless otherwise noted), although a detailed mechanical inspection was not made.
Data was collected and photographs were taken when possible.
Photographs are appended to the report only as an aid.
- * 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.
- * The unit was visited personally by the undersigned on 17th November 2023.
- * 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,


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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 have no direct/indirect interest in the plant and machinery being valued.

Report issued in good faith without any bias or prejudice.

Regards



(Jaspal Singh)

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