

Dated: 22.10.2024

File No.: VIS (2024-25)-PL477-426-596

ENTERPRISE VALUATION REPORT

OF

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED (NPA ACCOUNT)

SITUATED AT

1010, 10TH FLOOR, SHILP EPITOME, B/S. INFOSTRECH, BEHIND
RAJPATH CLUB ROAD, , AHMADABAD CITY, GUJARAT, INDIA - 380054

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- Chartered Engineers

- Industry/ Trade Rehabilitation Consultants

- NPA Management

- Panel Valuer & Techno Economic Consultants for PSU Banks

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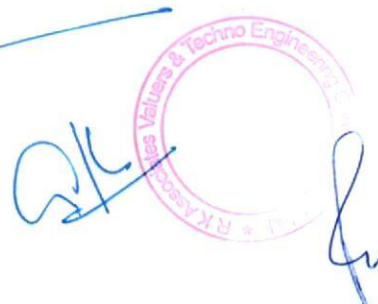


TABLE OF CONTENTS

SECTIONS	PARTICULARS	PAGE NO.
Part A	INTRODUCTION	
	1. About the Report	4
	2. Executive Summary	4
	3. Type of Report	5
	4. Purpose of the Report	6
	5. Scope of the Report	6
	6. Methodology/ Model Adopted	6
	7. Documents/ Data Referred	6
Part B	Project Company	
	1. Incorporation Details	8
	2. Brief Description About Directors/ Promoters	9
	3. Debt Position of the Company	9
	4. Capital Structure	10
	5. Shareholding Pattern	10
Part C	Infrastructure Industry Overview	
	1. Introduction	12
	2. Robust Demand	13
	3. Attractive Opportunities	14
	4. Policy Support/Government's Initiatives	14
	5. Recent Investment	14
	6. Road Ahead	15
Part E	Financial Projections	
	1. Historical Profit & Loss Statement	17
	2. Graphical Representation of Key Financial Metrics	18
Part F	Valuation of the Company	
	1. Methodology/ Model Adopted	19
	2. Summary of Valuation Assessment	21
	3. Enterprise Valuation	24

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

TABLE OF CONTENTS

SECTIONS	PARTICULARS	PAGE NO.
	4. Key Assumptions and Workings	24
	5. Declaration	34
Part G	Important Definition	35
Part H	Disclaimer and Remarks	37

PART A

INTRODUCTION

1. ABOUT THE REPORT:

Enterprise Valuation Report of Construction & Civil Engineering Company M/s Kunal Structure India Private Limited having registered and admin office at 1010, 10th Floor, Shilp Epitome, B/s. Infostrech, Behind Rajpath Club Road, Ahmadabad City, Gujarat, India - 380054.

2. EXECUTIVE SUMMARY:

M/s Kunal Structure (India) Private Limited was incorporated in April 2006. The Company came into existence on conversion of partnership firm M/s. Kunal Construction (1992). The firm was promoted mainly to act as a civil contractor to undertake various engineering works related to infrastructure development like roads, canals, bridges, building works, pipe line & water supply, storm drainage works, etc.

It also worked as contractor for civil works like construction of housing societies, hospitals, etc. On behalf of the Government. The company is promoted by Mr. Arvind Domadia and Mr. Kunal Domadia and is based out of Rajkot, Gujarat. KSIPL, through various projects across all verticals is a notable contributor to the Indian infrastructure sector. The Sectors Company majorly serves are as follows:

1. Transportation
2. Airports
3. Irrigation
4. Railways
5. Buildings and Institutions
6. Industrial Development

As per data/information provided by the client, the captioned account is under consortium arrangement led by SBI. Credit facilities availed by captioned unit are NPA. Below graph & table shows the historical financial performance of the company from FY 2019-20 to FY 2020-21:



Particular (INR Lakhs)	31st March 2020	31st March 2021
Revenue	88,153.72	60,008.67
EBITDA	3,333.54	-5,999.30
EBIT	1,285.06	-8,066.46
PAT	2,756.17	-4,330.24
EBITDA Margin %	3.78%	-10.00%
EBIT Margin %	1.46%	-13.44%
PAT Margin %	3.13%	-7.22%

Note: It is to be noted here that the SBI has announced the account as NPA dated 31st March 2022. Thus the latest balance provided to us by the client as at 31st March 2021.

As per the historical analysis, which can be seen above revenue of the Company has been decreased by 31.93% in FY 2021. All the margins has fallen into negative in FY 2021. As per the discussion with the bank/client, the company is not able to fulfill its financial obligations and hence State Bank of India, Stressed Assets Management Branch, Ahmedabad need to take appropriate decision/resolution on this NPA account.

Thus for the purpose of decision making on resolution of this stressed account, State Bank of India, Stressed Assets Management Branch, Ahmedabad has assigned R K Associated to assess & determine the Enterprise Value/Fair Market Value of M/s Kunal Structure India Private Limited as per scope of work, to execute the appropriate action by the decision makers on this NPA account.

3. TYPE OF REPORT: Enterprise Valuation Report.

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ENTERPRISE VALUATION REPORT
M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

- Details of Collateral properties with Financial Institution.
- Valuation Report of Collateral properties to the consortium.
- Lender wise total outstanding dues as on 31/07/2024 shared by bank/client.
- Stock statement for the period of 31st April 2022.
- Data/information available in public domain.



PART B

INCORPORATION DETAILS

1. INCORPORATION DETAILS OF THE COMPANY:

M/s Kunal Structure (I) Private Limited (previously known as Kunal Construction Company) was established by Mr. Arvind Domadia (Chairman) on 1st April 1992. Kunal Structure (India) Private Limited is a Private company incorporated on 05 April 2006. It is classified as Non-government Company and is registered at Registrar of Companies, Ahmedabad.

Its authorized share capital is Rs. 55,000,000 and its paid up capital is Rs. 50,300,000. It's NIC code is 452 (which is part of its CIN). As per the NIC code, it is involved in Building of complete constructions or parts thereof; civil engineering. Kunal Structure (india)'s Annual General Meeting (AGM) was last held on N/A and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2021.

Directors of Kunal Structure (India) are Mr. Arvindbhai Amrutlal Domadia and Mr. Kunal Arvindbhai Domadia. Kunal Structure (India)'s Corporate Identification Number (CIN) is U45200GJ2006PTC048080 and its registration number is 48080. Registered address of Kunal Structure (India) is 1010, 10th Floor, Shilp Epitome, B/s. Infostrech, Behind Rajpath Club Road, , Ahmadabad City, Gujarat, India - 380054. Current status of Kunal Structure (India) Private Limited is - Active. The incorporation details of the Company are provided in the table below:

Company Incorporation Details	
CIN	U45200GJ2006PTC048080
Company Name	M/s Kunal Structure (India) Private Limited
ROC Name	ROC Ahmedabad
Registration Number	048080
Date of Incorporation	05/04/2006
Email Id	roc@kunalsipl.com
Registered Address	1010, 10th Floor, Shilp Epitome, B/s. Infostrech, Behind Rajpath Club Road, Bodakdev, Ahmedabad, Ahmadabad City, Gujarat, India, 380054
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares

Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	INR 5,50,00,000
Paid up Capital (Rs)	INR 5,03,00,000
Date of last AGM	30/11/2021
Date of Balance Sheet	31/03/2021
Company Status	Active
ROC (name and office)	ROC Ahmedabad
RD (name and Region)	RD, North Western Region

Source: Data information extracted from MCA website.

2. DIRECTORS/PROMOTERS DETAILS OF THE COMPANY:

Below table shows the details of directors/Promoters of the company along with their DIN details and date of appointment:

List of Directors of M/s KSIPL

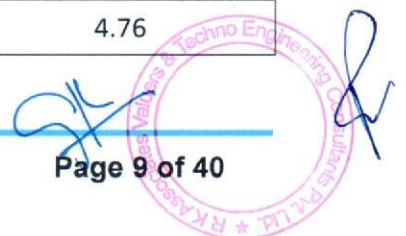
S. No.	Name	DIN	Designation	Date of Appointment
1.	Mr. Arvindbhai Amrutlal Domadia	01608844	Managing Director	01/08/2013
2.	Mr. Kunal Arvindbhai Domadia	03566752	Director	22/10/2012

We could not found much details of directors/promoters, their educational background and experience in the public domain.

3. DEBT OUTSTANDING OF THE COMPANY:

As per the data/Information provided by the bank/client, below table shows total outstanding balance of the company towards consortium dated 31st July 2024:

(Amount in Crores as on 31.07.2024)				
S. No	Bank Name	Fund Based	Non-Fund Based	Total Outstanding
1	ICICI BANK	2.47	18.44	20.91
2	IDFC BANK	1.76	3.00	4.76



3	INDIAN BANK	22.53	0.00	22.53
4	PUNJAB & SINDH BANK	17.51	17.27	34.78
5	STATE BANK OF INDIA	20.97	8.27	29.24
6	UNION BANK OF INDIA	24.39	21.07	45.46
7	AXIS BANK	9.31	11.52	20.83
8	BANK OF BARODA	19.32	1.60	20.92
9	BANK OF INDIA	14.41	0.00	14.41
10	HDFC BANK	9.77	20.60	30.37
11	IDBI BANK	20.20	10.51	30.71
12	YES BANK	6.73	18.34	25.07
	Total :-	169.38	130.62	300.00
<i>Source: As per data/information provided by bank/client.</i>				

4. CAPITAL STRUCTURE:

As per MCA, authorized share capital is of the company is INR 55,000,000 and its paid up capital is INR 50,300,000. As per audited balance sheet dated 31st March 2021, Capital structure of the company is shown in the below table:

Authorized, Issued, Subscribed & Paid up Share Capital		
Particulars (INR Lakhs)	As at March 31, 2021	As at March 31, 2020
Authorised:		
55,00,000 equity share capital of Rs. 10/ Each	550	550
Issued, Subscribed & fully Paid up :		
50,30,000 equity share capital of Rs. 10/ Each fully paid up	503	503
Total	503	503

5. SHAREHOLDING PATTERN:

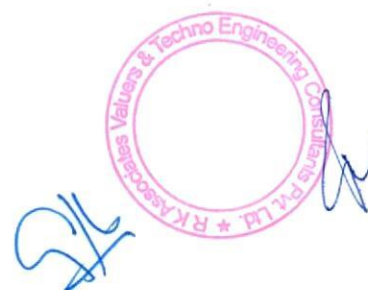
As per the audited balance sheet dated 31st March 2021, the Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled for one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company after distribution to all preferential amount if any. The distribution will be in the proportion to the number of equity shares held by the shareholders.

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

As per details shared by the client/company, the Shareholding Pattern of the Company as on 31st March 2021 is as follows:

Share with voting right held by each shareholder holding more than 5% equity shares of the company	
Particulars	As at March 31, 2021
Mr. Arvindbhai Amrutlal Domadia	25,40,000
	50.50%
Mr. Kunal Arvindbhai Domadia	17,70,000
	35.19%
Mr. Shantamrut Infrastructure Pvt Ltd	5,20,000
	10.34%



PART C

INFRASTRUCTURE INDUSTRY OVERVIEW

1. INTRODUCTION:

In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs. 11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 % of GDP. As per the Interim Budget 2023-24, a capital outlay of Rs. 2.55 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

Starting with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under the development phase with an estimated investment of US\$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 are in the roads and bridges sub-sector.

During FY 2023-24, Total revenue of Indian Railways stands at US\$ 28.89 billion (Rs 2.40 Lakh Crore) as on 15th March. Last year on 15th March, total Revenue was US\$ 26.84 billion (Rs 2.23 Lakh Crore). During the month of June 2024, originating freight loading of 135.46MT has been achieved against loading of 123.06 MT in June 2023.

India's logistics market is estimated to be US\$ 317.26 billion in 2024 and is expected to reach US\$ 484.43 billion by 2029, growing at a CAGR of 8.8%. According to a Cushman & Wakefield report, India's real estate market saw a surge in investments during the second quarter of 2024, attracting US\$ 2.77 billion.

India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years. In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

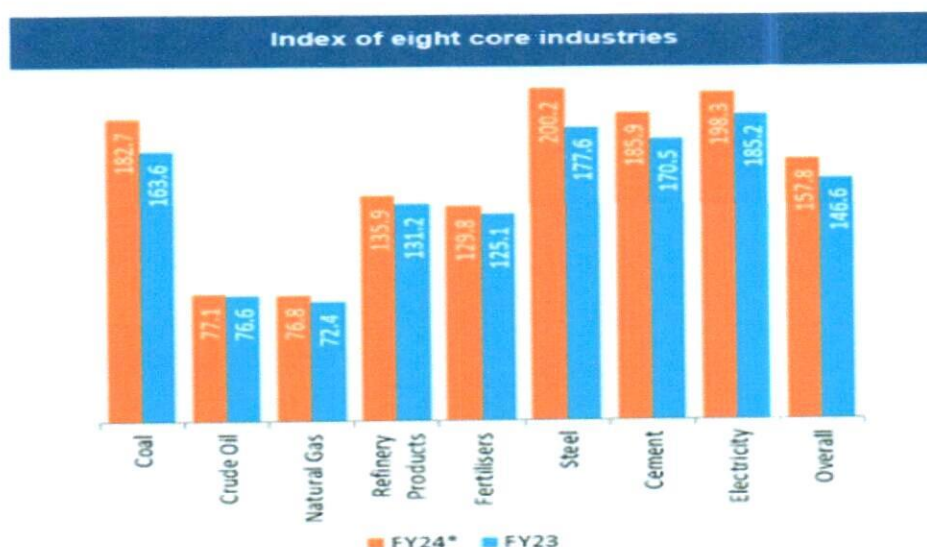
India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities.

In the last 10 years, 697 km have been added to Metro Rail Network across the country. In 2024, about 945 km of metro rail lines are operational in 21 cities and 919 km is under

construction in 26 different cities. At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.61 billion and US\$ 33.91 billion, respectively, between April 2000-March 2024.

Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over 2021-26 driven by spending on water supply, transport, and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the tenth five-year plan as against 9% in the eleventh five-year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five-year plan, with 40% of the funds coming from the private sector.



Source: Ministry of Commerce & Industry
Note: * - Provisional (April-February 2023-24)

2. ROBUST DEMAND:

- India has to enhance its infrastructure to reach its 2025 economic growth target of US\$ 5 trillion.
- India's population growth and economic development require improved transport infrastructure, including investments in roads, railways, and aviation, shipping and inland waterways.

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- As per the Reserve Bank of India (RBI) in the past 4 years until March 2024, Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) have amassed INR 1.3 lakh crore.
- According to a Cushman & Wakefield report, India's real estate market saw a surge in investments during the second quarter of 2024, attracting US\$ 2.77 billion.

3. ATTRACTIVE OPPORTUNITIES:

- Development of infrastructure has a multiplier effect on demand and efficiency of transport and increases commercial and entrepreneurship opportunities.
- In March 2024, Prime Minister, Mr. Narendra Modi inaugurated multiple connectivity projects in Kolkata, totaling US\$ 1.8 billion.
- In March 2024, the Minister of Civil Aviation and Steel announced inaugurating 15 airport projects worth US\$ 12.1 billion by 2028.
- In June 2022, the Minister of Road Transport and Highways, opened 15 national highway projects worth Rs. 13,585 crore (US\$ 1.7 billion) in Patna and Hajipur, Bihar.
- As per a report of Morgan Stanley India's infrastructure investment to steadily increase from 5.3% of GDP in FY24 to 6.5% of GDP by FY29.

4. POLICY SUPPORT:

- Budget 2023-24 is complemented with the continuation of the 50-year interest-free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs. 1.3 lakh crore (US\$ 16 billion).
- Under the National Infrastructure Pipeline (NIP), projects worth Rs. 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation.
- In November 2022, National Investment and Infrastructure Fund (NIIF) is set up as a collaborative investment platform between the Government of India, global investors, multilateral development banks (MDB) and domestic financial institutions to facilitate investment across multiple sectors in India through an India Japan Fund.

5. INCREASING INVESTMENTS:

- Under Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs.11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 % of GDP.
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.54 billion and US\$ 33.52 billion, respectively, between April 2000-December 2023.
- According to CRISIL's Infrastructure yearbook 2023, India will spend nearly Rs 143 lakh crore (US\$ 1,727.05 billion) on infrastructure in seven fiscals through 2030, more than twice the near Rs. 67 lakh crore (US\$ 912.81 billion) spent in the previous seven years.

6. ROAD AHEAD:

With a 37% increase in the current fiscal year, capital expenditures (capex) are on the rise, which bolsters ongoing infrastructure development and fits with 2027 goals for India's economic growth to become a US\$ 5 trillion economy. In order to anticipate private sector investment and to address employment and consumption in rural India, the budget places a strong emphasis on the development of roads, shipping, and railways.

Global investment and partnerships in infrastructure, such as the India-Japan forum for development in the Northeast are also indicative of more investments. These initiatives come at a momentous juncture as the country aims for self-reliance in future-ready and sustainable critical infrastructure. India, it is estimated, needs to invest US\$ 840 billion over the next 15 years into urban infrastructure to meet the needs of its fast-growing population. This investment will only be rational as well as sustainable, if we additionally focus on long-term maintenance and strength of our buildings, bridges, ports, and airports.

As a result of digitalization and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

Civil Aviation Ministry's "Vision 2040" report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each. 220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom because of India's necessity and desire for rapid development. The expansion has been aided by urbanization and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.



PART D

HISTORICAL FINANCIAL ANALYSIS

As per the audited financial statements provided by the company/client, below table shows the historical performance of the company.

1. HISTORICAL PROFIT & LOSS STATEMENT: (FROM FY 2019-20 TO FY 2020-21)

(Value in Rs. lakhs)

Particular	31st March 2020	31st March 2021
<u>Revenue</u>		
Revenue from Operations	86,223.90	58,944.81
Other Income	1,929.82	1,063.86
Total Income	88,153.72	60,008.67
<u>Expenses</u>		
Construction Expenses	69,869.31	53,089.75
Employee Benefits Expense	5,431.75	4,012.96
Finance costs	4,381.57	4,804.02
Depreciation and Amortization Expenses	2,048.48	2,067.16
Other Expenses	3,089.07	2,034.08
Total Expenses	84,820.18	66,007.97
Profit Before Tax	3,333.54	-5,999.30
<u>Tax expense:</u>		
Current Tax	936.99	0.00
(Excess) / Short provision of earlier periods	-45.48	-230.88
Deferred Tax	-314.14	-1,438.18
Profit/Loss After Tax	2,756.17	-4,330.24

Note: It is to be noted here that the SBI has announced the account as NPA dated 31st March 2022. Thus the latest balance provided to us by the client as at 31st March 2021.

As per the historical analysis, which can be seen above revenue of the Company has been decreased by 31.93% in FY 2021. All the margins has fallen into negative in FY 2021. As per the discussion with the bank/client, the company is not able to fulfill its financial obligations and hence State Bank of India, Stressed Assets Management Branch, Ahmedabad need to take appropriate decision/resolution on this NPA account.

2. GRAPHICAL REPRESENTATION OF KEY FINANCIAL METRICS:



As per the historical trends, It can be seen that EBITDA Margin & PAT Margin became negative from the FY2019 to FY2021. The metrics are negative in the last few years which shows that the company is not performing well in the last few years and there is critical concern with the financial health of the company. Based on the above key indicators, the management is suggested to take the appropriate action to improve the operational efficiency of the firm.



PART E

VALUATION OF THE COMPANY

1. METHODOLOGY/ MODEL ADOPTED:

Out of the various Models & theories available, we have adopted Methodology namely Net Asset Value (NAV) Approach, and the adjusted NAV is being considered as the proxy of the Enterprise Value of M/s Kunal Structure India Private Limited:

- a. The NAV approach used here, is based on the present value/fair market value of all its fixed asset and its financial assets.
- b. Present/Fair value of fixed assets of the company including property, plant and equipment is calculated based on the Market and Cost Approach as-is-where-is basis for estimating the Current Depreciated Replacement value of the assets.
- c. Present value of the financial/ current assets is estimated based on the document/ information provided by the company.
- d. Further, the operational liabilities of the company will be net off with the Total asset value estimated based on the present scenario.

Rationale for using Net Asset Value (NAV) Approach for the Enterprise Valuation:

- a. The 3 Broad Model of Company Valuation are – Income based approach (Discounted Cash Flow Models), Asset Based and Market Multiple.
- b. The free cash flow method is not used here because the account is announced NPA by consortium and due to going on hearings & pending litigations future cash flow cannot be projected easily since there is a downward trend in the capacity utilization of the company since last few years and currently PAT of the company is negative while the account is already categorized NPA by the financial creditor as per norms of the RBI guidelines.
- c. Also, due to uncertain future operations as the same is communicated by the banker/client, estimating accurate future projections becomes difficult.
- d. Asset Based Model is a more appropriate approach for estimating the Company's present value/fair market value based on the present value calculation of the assets (fixed asset and financial assets).

- e. Market Comparable Approach was also not used since we could not find any suitable market comparable transactions and company of similar scale, scope & nature in the market.
- f. Therefore, the most appropriate Model left to Value M/s Kunal Structure India Private Limited is Net Asset Value approach since there is an uncertainty regarding company's futuristic operations.
- g. The best method input option for the NAV Model in the case of M/s Kunal Structure India Private Limited will be present value of the fixed assets based on the market and cost-based approach and financial assets valuation based on the documents/information made available us by the client/company
- h. Further, the Present Value Model gives us a variety of input options to use while calculating the Value of the firm - Dividend, Free Cash Flow to the Firm, Free Cash Flow to Equity, Capitalized Cash Flows and Residual Earnings.
- i. Dividends cannot be used as the Company has no history of paying dividends and we don't foresee any dividend payments to occur in the future due to the high leverage of the firm.
- j. Hence, NAV method is used in the valuation process of the company.

Gathering of Information on high level breakup of each head of Current and Non-Current Assets for assessment (as per RKA Format).

- Review of data/ inputs/ information which bank/client could provide to us against the queries raised by the consultant.
- Final assessment as per the data /information available on record.

Note:

- a. *There is no a fixed criterion, formula or norm for the Valuation of Current Assets. It is purely based on the individual assessment and may differ from consultant to consultant based on the practicality he analyses in recoveries of the outstanding dues. Ultimate recovery depends on efforts, extensive follow-ups of the individual case by the company. So our values should not be regarded as any judgement in regard to the recoverability of current assets but should only be read in terms of analysis.*

- b. For arriving at the Fair Value, appropriate discounting factor against each current asset item is applied based on the nature of current asset and level of difficulty in realization of these.
- c. No audit of any kind is performed by us at our end from the books of account or ledger statements. All the data/ information/ input/ details provided to us by the company/ lenders are taken by us as-it-is on good faith and assumed that that these are factually correct information.
- d. This is a general assessment of the estimated fair and liquidation value of the current assets based on the data/ input/ Information Company/ lenders could provide to us against our questions/ queries. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.

2. SUMMARY OF VALUATION ASSESSMENT:

Particular (Values in INR Crores)	Value as per Audited Balance sheet as at 31.03.2021	Fair Market Value as on 20th Oct 2024	Factor to be considered
Assets:			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	124.07	78.93	
Other Intangible assets	2.32	0.86	
Capital Work in Progress	1.01	1.01	100%
Financial Assets			
Investments	0.49	0.49	
Other Non-current financial assets	64.26	64.26	
Deferred tax Asset (Net)	10.24	10.24	100%
Other non-current assets	4.99	3.38	
Total Non-Current Asset	207.38	159.16	
<u>Current Assets</u>			
Inventories	129.42	8.01	
Financial Assets			
(i) Trade receivables	120.18	18.17	

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

(ii) Cash and cash equivalents	2.12	2.12	
(iii) Bank balances other than (ii) above	66.58	0.00	
(iv) Other current financial assets	63.08	62.71	
Current tax assets (Net)	17.34	17.34	
Other current assets	311.17	202.38	
Total Current Asset	709.89	310.73	
Total Assets	917.27	469.89	
Equity & Liabilities:			
Equity			
(a) Equity share capital	5.03	5.03	
(b) Other Equity	279.84	279.09	
Total Equity	284.87		
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Long term borrowings	103.77	413.59	
(ii) Other non-current financial liabilities	28.87	28.87	
(b) Long-term provisions	0.66	0.66	
(c) Deferred tax liabilities (Net)	0.00	0.00	
(d) Other non-current liabilities	0.00	0.00	
Total Non-current liabilities	133.29	443.11	
Current Liabilities			
(a) Financial Liabilities			
(i) Short term borrowings	215.83	122.13	
(ii) Trade payables			
Outstanding dues of Micro and Small	16.79	181.32	

Enterprises			
Outstanding dues of Others	164.53		
(iii) Other current financial liabilities	68.78	68.781	
(b) Short term provisions	0.44	0.00	
(c) Other current liabilities	32.74	3.88	
Total Current Liabilities	499.11	376.10	
Total Liabilities	632.40	819.22	
Total Equity & Liabilities	917.27	1103.33	

Adjusted Net Asset Value (NAV)	
Total Assets (A)	INR 469.89 Crore
Total Operational Liabilities (B)	INR 185.19 Crore
Contingent liabilities (C)	INR 194.92 Crore
Total Adjustable Liability (D)	INR 380.11 Crore
Net Assets Value (NAV) (A-D)	INR 89.78 Crore
FMV of 30 Collateral Securities	INR 61.04 Crore
Enterprise Value	INR 150.82 Crore

Note:

In addition to it, there are 30 Properties in the name of the company, which are collateral to the consortium. Calculated NAV of INR 89.78 Crore is excluding the value of these collateral properties as we assumes that these collateral properties are not included in the book as at 31st March 2021. As per data/information provided by the client, Valuation of these Collateral properties are done by M/s K. N. Associates dated 10.10.2024 according to which FMV and Realizable Value of the properties are ~61.04 Crore and 54.97 Crore respectively. As requested by the bank/client, after adding FMV of collateral properties the Enterprise Value will be INR 150.82 Crore. Similarly after adding RV of collateral properties the Enterprise Value will be INR 144.75 Crore. We have considered FMV to derive EV as INR 150.82 Crore of the company.

3. ENTERPRISE VALUATION:

ENTERPRISE VALUE OF THE COMPANY
INR One Hundred Fifty Crore and Eighty Two Lakhs (INR 150.82 CRORE)

Hence the "Enterprise Value" of the Company "M/s Kunal Structure India Pvt Limited" is INR 150.82 Crores including FMV of collateral securities.

This is only a general assessment of the current value of the Enterprise/Business based on the data/ input that the Bank/Client/Company could provide to us against our questions/ queries using the appropriate method with respect to the present scenario. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.

4. KEY ASSUMPTIONS:

a) Non-Current Assets:

- Net block for the tangible assets has been calculated by applying appropriate depreciation rate on the latest Net block available and as per the useful life of assets provided in the audited balance sheet dated 31st March 2021. Below table shows the assessment of fixed assets as per information shared by the bank/client as on date:

Fixed Assets (Net) as at 20 th Oct 2024	
Land	
Useful Life	
SLM Depreciation as per Companies Act	0%
Salvage Value	0%
Net Block as on 31st March 2021	1453.77
Years	3.58
Accumulated Depreciation	0.00
Net Block as on 20th Oct 2024	1453.77
Building & Civil Works	
Useful Life	3-60 Years
SLM Depreciation as per Companies Act	1.58%

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

Salvage Value	5%
Gross Block as on 31st March 2021	790.43
Net Block as on 31st March 2021	691.32
Years	3.58
Accumulated Depreciation	42.60
Net Block as on 20th Oct 2024	648.72
Plant & Machinery	
Useful Life	3-15 Years
SLM Depreciation as per Companies Act	6.33%
Salvage Value	5%
Gross Block as on 31st March 2021	17761.81
Net Block as on 31st March 2021	9291.2
Years	3.58
Accumulated Depreciation	3829.40
Net Block as on 20th Oct 2024	5461.80
Office Equipment	
Useful Life	5 Years
SLM Depreciation as per Companies Act	19.00%
Salvage Value	5%
Gross Block as on 31st March 2021	155.16
Net Block as on 31st March 2021	50.7
Years	3.58
Accumulated Depreciation	100.36
Net Block as on 20th Oct 2024	7.76
Furniture & Fixture	
Useful Life	10 Years
SLM Depreciation as per Companies Act	9.50%
Salvage Value	5%
Gross Block as on 31st March 2021	479.64

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

Net Block as on 31st March 2021	214.01
Years	3.58
Accumulated Depreciation	155.11
Net Block as on 20th Oct 2024	58.90
Vehicles	
Useful Life	8-10 Years
SLM Depreciation as per Companies Act	9.50%
Salvage Value	5%
Gross Block as on 31st March 2021	1176.75
Net Block as on 31st March 2021	613.2
Years	3.58
Accumulated Depreciation	380.56
Net Block as on 20th Oct 2024	232.64
Computer & Printers	
Useful Life	3-6 Years
SLM Depreciation as per Companies Act	15.83%
Salvage Value	5%
Gross Block as on 31st March 2021	581.02
Net Block as on 31st March 2021	93.22
Years	3.58
Accumulated Depreciation	313.17
Net Block as on 20th Oct 2024	29.05
PP&E (Net) as on 20th Oct 2024	7892.64
Other Intangible Assets (Computer Software)	
Useful Life	10 Years
SLM Amortization as per Companies Act	9.50%
Salvage Value	5%
Gross Block as on 31st March 2021	452.08
Net Block as on 31st March 2021	232.29

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

Years	3.58
Accumulated Depreciation	146.20
Net Block as on 20th Oct 2024	86.09

Below table shows the details of Non-current Investment of the company and the fair market value of the assets as on valuation date:

PARTICULARS	Value as on 31st March 2021	Fair Market Value as on 20th Oct 2024	Factor
Non-Current Investments			
Investment In equity Instruments of Joint Ventures	37.35		
Unquoted		Data/Information regarding current status, net worth etc. of these investee companies/JV/Firms is not available.	
5000 Equity Shares in Kunal BSBK JV Private Limited, of Rs, 10 fully paid up	0.51		
CLASSIC NETWORK KSIPLJV	17.27		
KSIPL SACHIN JV	19.47		
MCL KSIPL Gurjanpalli (JV)	0.10		
Investment In Mutual Funds measured at Fair Value Through Profit & Loss		We have assumed that these investments are in safe avenue and can be realize as per the requirement.	
Quoted		Thus we have considered the FMV as 100% of book value as on 31 st March 2021.	
1,00,000 units of SBI Dual Advantage Fund (G)	0.00		
97567.639 units of Union Corporate Fund Regular-Growth	11.71		
Total	49.06	49.06	100%

Below table shows the details of Other Non-current Financial Assets of the company and the fair market value of the assets as on valuation date:

Other Non-Current Financial Assets			
Particulars	Value as on 31st March 2021	Fair Market Value as on 20th Oct 2024	Factor

Security Deposits and monies retained by customers	4286.7	As per data/information available in audited balance sheet as on 31st March 2021, Security deposits and monies retained by customers include deposit of INR 146.36 lakhs of Rajkot Municipal Corporation against company was in arbitration and the decision was given in the favour of company. It has been 3.58 years since the decision was given. Due to data limitation regarding the current status of the security deposits and monies retained by customers. We have assumed that these investments are in safe avenue and can be realize as per the requirement.	100%
*Fixed Deposits - Maturing after 12 months of reporting date	2139.52	As per data/information available in audited balance sheet as on 31st March 2021, Above fixed deposit made with banks given to customer as security and earnest money deposit or lien marked with bank for working capital facilities. It has been 3.58 years and due to data limitation regarding the current status of the fixed deposit made with bank by customers. We have assumed that these investments are in safe avenue and can be realize as per the requirement.	100%
Total	6426.22	6426.22	

Below table shows the details of Other Non-current Assets of the company and the fair market value of the assets as on valuation date:

Other Non-Current Asset				
Particulars	Value as on 31st March	Fair Market Value as on 20th	Factor	Remarks

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

	2021	Oct 2024		
Security Deposit	148	148	100%	Due to lack of information regarding the bifurcation of balance sheet items and no information regarding their aging, marketability, terms & conditions etc. The fair market value is determined as per the information provided by the client/company referring the audited balance sheet as on 31st March 2021.
Prepaid expenses	209.05	104.525	50%	
Advance for capital goods	118.94	71.364	60%	
Other non-current assets	22.7	13.62	60%	
Total	498.69	337.51	0%	

b) Current Assets:

Particulars	Value As On 31st March 2021	Fair Market Value	Factor	Remarks
(A) Inventories				As per stock statement dated 30th April 2022 shared by bank/client, Market value of inventory was INR 1601.98 lakhs which includes Raw material, Outstanding sundry creditors in access of level accepted in CMA, Store & Spares, Stock-in-progress and finished goods etc. We have considered to discount this value by an appropriate factor to get the current FMV of stock after considering the various factors such as aging, deterioration etc. As mentioned in audited balance sheet as at 31st March 2021, it seems that there is only construction material in inventory and no other bifurcation is available. It is to
Inventories				
Construction Material	12942.25	800.99	50%	

ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

				be noted that Construction material was hypothecated to bank against working capital facility at that time.
Total	12942.25	800.99		
(B) Trade Receivables				
Unsecured, considered good	12393.16			
Allowance for expected credit loss	375.56	2595.13		
Total	12768.72	1816.59	70%	
(C). Cash & Cash Equivalents				
(A) Cash and Cash Equivalents				
a) Balance with banks				
In Current Accounts	32.88	32.88	100%	<p>There is no information available about current status of Cash & Cash equivalent and No any account statement and cash certificate is provided to us.</p> <p>The account is became NPA however company is still operational.</p> <p>Thus due to data limitation we are assuming that the Company is maintaining the cash & bank balance as shown in the book dated 31st March 2021.</p>
In Cash Credit Accounts	155.79	155.79	100%	
In Credit Card Accounts	0.37	0.37	100%	
b) Cash on hand	22.51	22.51	100%	
Total (A)	211.55	211.55		
(B) Bank balances other than Cash and Cash equivalents				
Fixed Deposits - Maturing within 12 months from reporting date*	6657.54	0.00	0%	As maturity is shown as within 12 months in the books dated 31 st March 2021. We are assuming that on maturity Company has withdrawn the amount and thus didn't assigned any value to it.
Total (B)	6657.54	0.00		
Total		211.55		
(D) Other Financial Assets				

Security Deposits and monies retained by customers	6227.50	6227.50	100%	
Loans & Advances to Employees	36.94	0.00	0%	
Other Interest Receivable	43.88	43.88	100%	
Total	6308.32	6271.38		
(E) Current tax assets (Net)				
Current tax assets (Net of provisions for taxes)	1734.21	1734.21	100%	
Current tax assets (Net)	1734.21	1734.21		
(F) Other current assets				
Prepaid expenses	527.51	263.76	50%	
Balance with Government Authorities	4282.87	3640.44	85%	
Advance to Suppliers	5695.40	2847.70	50%	
Unbilled Revenue	18839.00	12245.35	65%	
Other current assets	1772.43	1240.70	70%	
Current tax assets (Net)	31117.21	20237.95		

Fair market value assessment of current assets is shown in the above table. The fair market value of inventory, trade receivables, cash & cash equivalents and short term loans & advances are determined by various factors taken into consideration as on date such as aging, marketability, terms & conditions etc. as per the information provided by the client/company referring the audited balance sheet as on 31st March 2021.

Thus, the fair Market Value of Total assets is being calculated as INR 469.89 Crore as on valuation date.

- The fair market value of Current liabilities has been considered as 100% of the book value as on 31st March 2021.

Thus, the fair market value of Total operational liabilities including the contingent liabilities is being calculated as INR 380.11 Crore as on valuation date, while the detailed break-up of contingent liabilities is taken from the audited balance sheet dated 31st March 2021 shared by the client/company and appropriate discount factor is applied on it to determine the Contingent liability at present.

Total Adjustable Liabilities	
Particular	Amount (INR Crore)
Operational Liabilities	185.19
Contingent Liabilities	194.92
Total Adjustable Liabilities	380.11

Hence after deducting the Total operational liabilities including the contingent liabilities from the fair market value of Total Assets, the Adjusted Net Asset Value (NAV) is being calculated as INR 89.78 Crores.

Further, FMV of INR 61.04 Crore of 30 collateral securities with consortium is added to get the Fair market value of the Company which comes out to INR 150.82 Crore, which is being considered as the proxy of Enterprise Value of "M/s Kunal Structure India Privatet Limited".

- Enterprise Valuation of the subject project has been done by using Net Assets Value (NAV) Method.
- The Net Assets Value (NAV) of the project has been calculated after the deduction of Operating Liabilities from the Total Assets Value of the company.
- The NAV method has been adopted for the calculation of Enterprise Valuation of the subject project since the project is categorized as NPA and as per the information provided by the banker/company, the future operation of the is uncertain as financial institution is about to execute the decision/resolution plan.
- No employee or member of R.K Associates has any direct/ indirect interest in the Project.
- This is just an opinion report on Valuation based on the copy of the documents/ information provided to us by the client which has been relied upon in good faith and the assessment and assumptions done by us.
- This Enterprise Valuation report is only for internal use of bank in decision making on NPA account.


- *This is only a general assessment of the Enterprise/Business Value of the firm based on the data/ input Company officials could provide to us against our questions/ queries and information available in the public domain. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.*

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ENTERPRISE VALUATION REPORT

M/S KUNAL STRUCTURE INDIA PRIVATE LIMITED

Declaration	i. Since this is Enterprise Valuation hence no site inspection was carried out by us.	
	ii. The undersigned does not have any direct/indirect interest in the above property.	
	iii. The information furnished herein is true and correct to the best of our knowledge.	
	iv. This valuation work is carried out by our Financial Analyst team on the request from State Bank of India, Stressed Assets Management Branch, Ahmedabad, 2nd Floor, Paramsiddhi Complex, Opp. VS Hospital, Ellisbridge, Ahmedabad - 380006	
	v. We have submitted Valuation report to the Bank.	
Name & Address of Valuer company		Signature of the authorized person
M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd. D-39, Second Floor, Sector-2, Noida, UP-201301 India		
Number of Pages in the Report		40
Financial Analyst Team worked on the report		PREPARED BY: Mr. Gaurav Kumar
		REVIEWED BY: Mr. Rachit Gupta

For R.K Associates Valuers & Techno

Engineering Consultants (P) Ltd.

(Authorized Signatory)

Valuations



Place : NOIDA

Date : 20th October 2024

PART E

IMPORTANT DEFINITION

Definitions:

- **Enterprise Value:** Enterprise value (EV) is the corporate valuation of a company, determined by using market capitalization and total debt. Market cap comprises preference stocks, common stocks, and minority interest; total debt comprises short-term and long-term liabilities of the company. Enterprise value (EV) refers to the overall valuation—equity, debt, cash, and cash equivalents. In other words, it is the cost of acquiring a firm. The EV/EBITDA is an enterprise multiple. It correlates EV with earnings before interest, taxes, depreciation, and amortization. The metric determines whether the firm is undervalued or overvalued.
- EV is computed using the following formula: $EV = (\text{Market Capitalization} + \text{Market Value of Debt} - \text{Cash and Equivalents})$.
- **Fair Market Value** suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him related to the subject asset at which the subject asset should be exchanged between a willing buyer and willing seller at an arm's length transaction in an open & unrestricted market, after proper marketing, wherein the parties, each acted knowledgeably, prudently and without any compulsion on the date of the Valuation.

Forced, under compulsion & constraint, obligatory sales transactions data doesn't indicate the Fair Market Value.

- **Realizable Value** is the minimum prospective estimated value of the Company which it may be able to realize at the time of actual transaction factoring in the potential prospects of deep negotiations carried out between the buyer & seller for ultimately finalizing the transaction across the table. Realizable value may be 10-20% less than the Fair Market Value depending on the various salability prospects of the subject asset and the needs of the buyer & the seller.
- **Forced/ Distress Sale Value** is the value when the company has to be sold due to any compulsion or constraint like financial encumbrances, dispute, as a part of a recovery process, legal issues or any such condition or situation. In this type of sale, minimum fetch value is assessed which can be 15-25% less than the estimated Fair Market Value. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness

& pressure of selling the asset is more than buying it. Therefore, the Forced/ Distress Sale Value will always fetch significantly less value compare to the estimated Fair Market Value.

- **Liquidation Value** is the amount that would be realized when an asset or group of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. Liquidation value can be either in an orderly transaction with a typical marketing period or in a forced transaction with a shortened marketing period.
- **Difference between Costs, Price & Value:** Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also have different definitions in the professional & legal terms. Therefore, to avoid confusion, 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 asset and depends to a great extent on combination of various factors such as demand and supply, market situation, purpose, situation & needs of the buyer & seller, salability outlook, usability factor, market perception & reputation. Needs of the buyer & seller, salability outlook, usability factor, market perception & reputation.
 - Therefore, in actual for the same asset, cost, price & value remain different since these terms have different usage & meaning.



PART H

DISCLAIMER | REMARKS

1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
2. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be 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. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
3. Legal aspects for e.g., investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for this report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
5. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.



6. Bank/FII should ONLY take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verify the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
7. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
8. The documents, information, data provided to us during the course of this assessment by the client is reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
9. This report only contains general assessment & opinion as per the scope of work evaluated as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. 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.
10. We have relied on data from third party, external sources & information available on public domain also to conclude this report. 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 data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can't vouch its authenticity, correctness or accuracy.
11. This Report is prepared by our competent technical team which includes Engineers and financial experts & analysts.
12. This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Financial Institution which is using this report for taking financial decision on the project that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
13. 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.



14. 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 up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
15. Defect Liability Period is **15 DAYS**. We request the concerned authorized reader of this report to check the contents, data and calculations in the report within this period and intimate us in writing if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. Corrections only related to typographical, calculation, spelling mistakes, incorrect data/ figures/ statement will be entertained within the defect liability period. Any new changes for any additional information in already approved report will be regarded as additional work for which additional fees may be charged. No request for any illegitimate change in regard to any facts & figures will be entertained.
16. R.K Associates encourages its customers to give feedback or inform concerns over its services through proper channel at valuers@rkassociates.org in writing within 15 days of report delivery. After this period no concern/ complaint/ proceedings in connection with the Financial Feasibility Study Services will be entertained due to possible change in situation and condition of the subject Project.
17. 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.
18. This Financial Feasibility Study report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) Information/ Data/ Inputs given to us by the client and (3) 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 it is the responsibility of the user of this report to immediately or at least within the defect liability period bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.



19. R.K Associates never releases any report doing alterations or modifications from pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void.

