

COMPREHENSIVE FORMAT FOR VALUATION OF ASSETS UNDER COMPANIES ACT FOR REGISTRAR OF COMPANIES, FIXED ASSETS REVALUATION OF THE COMPANIES, AMALGAMATIONS & DEMERGERS, LIQUIDATIONS - AS PER IVSC STANDARDS

Ref: -----M-20/01/201--

CERTIFICATE OF VALUE

Date- .

1. (This certificate is issued for a specific purpose only. It is subject to Standard Disclaimer Clause and Declaration and Statement of Limiting Conditions as are recorded in chapter 7)

2. Under instructions from -----, I have taken an inspection of the ----- premises on -----

3. Purpose of Valuation

To estimate the Fair Market value / Orderly Liquidation Value / Force Liquidation value / Realizable Value of the office / residential house / industrial unit premise comprising of the SF No / TS No / Block / Ward/ Village / District, located at -----Road in ----- Town

4. Valuation

I hereby certify that, the assets, more fully and particularly so described in Part ----- and Annexure -- ---- of this certificate, have been assessed by us, for the purpose recorded herein above and in our considered opinion, it is valued at

Fair value **Rs** -----/- (Rupees -----Only)

Orderly Liquidation Value **Rs** -----/- (Rupees -----Only)

Force Liquidation value **Rs** -----/- (Rupees -----Only)

Realizable Value **Rs** -----/- (Rupees -----Only)

Note: **The above value will change according to the purpose** (Fair Market value/ Fair value / Orderly Liquidation Value / Force Liquidation value / Realizable Value / Forced sale value / distress sale value), **place and time period**

Signed /

Table of Contents

Chapter 1. Introduction,

Chapter 2. Scope of Work (AS PER IVS 101)

Chapter 3. Basis / Bases of value used

Chapter 4. Valuation Approach Adopted

Chapter 5. Inputs used

Chapter 6. Specifications

Chapter 7. Assumptions, Special Assumptions and Limitations

Chapter 8. Valuation Certificate

Chapter 9. Declaration

Chapter 10 Enclosures

Chapter 1

Introduction

1. Intended Use: Estimate the Fair Market value/ Fair value / Orderly Liquidation Value / Force Liquidation value / Realizable Value / Forced sale value / distress sale value of the office / residential house / industrial unit premise comprising of the SF No / TS No / Village / District entire located at ---
-----Road in -----

2. Intended User: -----

3. Asset's Owner: -----

4. Client: -----

5. Classification of Asset: office / residential house / industrial unit

6. Asset's Address: SF No / TS No / Village / District entire located at -----Road in -----

7. Asset's Description:

8. Valuation Dates

Date of valuation: -----

(Note: In NCLT cases, "**Fair value**- exchanged on the insolvency commencement date)

The date of inspection: -----

The date of Valuation report: -----

9. Valuation Currency:

The valuation currency of this assignment is Indian Rupee.

10. Nature & Extent of Work (Any Limitations thereon)

Only the Balance sheet of the firm was provided for the financial years – or any available source of information,

Structural drawings of the buildings / structures are not available hence detail engineering description of the structures cannot be provided in the report.

11. Nature & Sources of Information

Investigations for this valuation exercise are carried out according to IVS 102.20. Investigations made during the course of this valuation assignment have been appropriately carried away for the purpose

of the valuation assignment and the basis of value. Sufficient evidences have been assembled by means of inspection, inquiry, computation and analysis to ensure that the valuation is properly supported. The following are the nature and sources of information upon which the valuer relied upon:

1. www.tnregistration.gov.in
2. Copy of Registered Deed of Modifications of Mortgage by Deposit of title deeds No ----- dated ---

3. Balance sheet of the firm for the financial years ----- or **any available source of information**
4. Market survey for the rental income in the neighborhood

12. Significant Assumptions and/or Special Assumptions

All significant assumptions and special assumptions have been reported separately

13. Type of Report being prepared

The valuation report shall be communicated through hard copy.

14. Use & Publication Restrictions of Report

The publication of this valuation report in whole or in part, or any reference hereto or to the valuation figures contained herein, or to the name and professional affiliation of this valuer without the written approval of the valuer is completely prohibited.

15. Compliance Statement

This valuation report has been prepared in accordance with IVSC, 2017. This Valuation assignment has been attempted by using applicable standard valuation techniques and is in conformity with the requirements of the IVSC Standards and Code of Professional Ethics. This valuation is exclusive of the value of movable equipment, trade fixtures and personal property and is limited to the real property only.

Chapter 2

Scope of Work (As Per IVS 101)

1. Valuer Identity

-----, Registered Valuer - u/s ----- of ----- Act, (Registration No -----), is the valuer who is responsible to complete this assignment. A graduate in Civil Engineering. Fellow and Approved Valuer of Institution of Valuers, (India). (No. F -----)

2. Disclosure

Neither the valuer nor any employee has any current or contemplated future financial interest in the property appraised.

3. Client

Mr -----, IRP (IBBI / IPA--- / IP N---- / 2016-17 / -----) in the matter of M/S -----Private Limited, ----- Road, ----- Pin code .is the client of this valuation report.

4. Other Intended Users

Apart from the client, the other intended user of this valuation report can be M/S ----Bank, the financial creditor who has filed an application No CP/------(IB)/20-- against M/S -----Private Limited in NCLT, Division Bench, Chennai

5. Valuation Purpose

The undersigned. Is retained by -----to estimate the Fair Market value / Orderly Liquidation Value / Force Liquidation value / Realizable Value of the office / residential house / industrial unit premise of the subject property as on the effective date of valuation.

Note: This valuation is exclusive of the value of movable equipment, trade fixtures and personal property and is limited to the real property only.

6. The Asset & Scope

Land measuring ----- acres in New SF No -----, -----village, ----- Taluk, -----District with postal address M/S -----Private Limited, -----Road, ----- Town, --- District- ---pin code, together with a factory buildings, ancillary buildings and utility structures

To perform this valuation, I have undertaken the following scope of services:

1. Inspected the subject property and the surrounding area.
2. Reviewed Socio-cultural Aspects trends that has an impact on the subject property.
3. Reviewed zoning regulations, the restrictions or limitations applicable to the subject property.
4. Reviewed the sale and Leave License Agreements of commercial office spaces in the neighborhood.
5. Considered the Highest and Best Use of the subject property.
6. Estimated the value of the subject property by means of the Income Capitalization and Market Analysis.
7. Concluded to a final value estimate.

Chapter 3

1. Basis/Bases of Value Used

The base of value of this valuation exercise has been chosen from the following IVS 104. According to IVS 104.10.1 Bases (sometimes called standards of value) describe the fundamental premises on which the reported values will be based. It is critical that the basis (or bases) of value be appropriate

to the terms and purpose of the valuation assignment, as a basis of value may influence or dictate a valuer's selection of methods, inputs and assumptions, and the ultimate opinion of value.

2. Definition of Value for this Specific Purpose

This exercise is to assess the Fair Market value / Orderly Liquidation Value / Force Liquidation value / Realizable Value of the office / residential house / industrial unit of the property premises as on the effective date of valuation.

IVSC 30.5. The nature and source of the valuation inputs must be consistent with the basis of value, which in turn must have regard to the valuation purpose. For example, various approaches and methods may be used to arrive at an opinion of value providing they use market-derived data. The market approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach should be applied, using inputs and assumptions that would be adopted by participants. To indicate Market Value using the cost approach, the cost of an asset of equal utility and the appropriate depreciation should be determined by analysis of market-based costs and depreciation.

IVSC 30.6. The data available and the circumstances relating to the market for the asset being valued must determine which valuation method or methods are most relevant and appropriate. If based on appropriately analyzed market-derived data, each approach or method used should provide an indication of Market Value.

3. Bases of Value

(a) IVS-defined bases of value:

1. Market Value (section 30),
2. Market Rent (section 40),
3. Liquidation Value (section 80).

Opinion: According to IVS 104.20.2 Valuers must choose the relevant basis (or bases) of value according to the terms and purpose of the valuation assignment. The valuer's choice of a basis (or bases) of value should consider instructions and input received from the client and/or its representatives. In our case, the client has specifically assigned the job to the valuer to estimate the fair market value and liquidation value of the asset under question. Therefore, the relevant basis of value of this assignment must be "Market Value" and "Liquidation Value".

30. IVS-Defined Basis of Value – Market Value

IVSC 30. Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

40. IVS-Defined Basis of Value – Market Rent

IVSC 40.1. Market Rent is the estimated amount between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

IVSC 40.6. In calculating Market Rent, the valuer must consider the following:

(a) in regard to a Market Rent subject to a lease, the terms and conditions of that lease are the appropriate lease terms unless those terms and conditions are illegal or contrary to overarching legislation, and

(b) in regard to a Market Rent that is not subject to a lease, the assumed terms and conditions are the terms of a notional lease that would typically be agreed in a market for the type of property on the valuation date between market participants.

80. IVS-Defined Basis of Value – Liquidation Value

IVSC 80.1. Liquidation Value is the amount that would be realized when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:

(a) an orderly transaction with a typical marketing period (**section 160**), or

(b) a forced transaction with a shortened marketing period (**section 170**).

IVSC 80.2. A valuer must disclose which premise of value is assumed.

IVSC 150. Premise of Value – Current Use/Existing Use

IVSC150.1. Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use.

IVSC 160. Premise of Value – Orderly Liquidation

An orderly liquidation describes the value of a group of assets that could be realized in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis. The reasonable period of time to find a purchaser (or purchasers) may vary by asset type and market conditions.

IVSC 170. Premise of Value – Forced Sale

The term "forced sale" is often used in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence. The price that could be obtained in these circumstances will depend upon the nature of the pressure on the seller and the reasons why proper marketing cannot

be undertaken. It may also reflect the consequences for the seller of failing to sell within the period available.

A forced sale typically reflects the most probable price that a specified property is likely to bring under all of the following conditions: consummation of a sale within a short time period.

The term **Realizable value** is defined as the gross estimated amount, as of a specified date, that can be specified date in cash terms or equivalent to cash which could be typically realized from a sale, after reasonable exposure to find a purchaser for the property being offered on **as is and where is** basis. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions:

1. The amount realized would be **net** of all the incidental expenses associated with selling viz. Stamp Duty, Registration Charges and Transfer charges to the Society Or any other Statutory etc.
 2. Payment is made in terms of cash in Indian Rupees OR in terms of financial arrangements comparable thereto;
-

Chapter 4

1. Valuation Approach Adopted

IVS 105 provides us with different approaches and methods of valuation. Consideration must be given to the relevant and appropriate valuation approaches. The three approaches are the main approaches used in valuation. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation.

In our case the valuer has considered the following points while selecting the best approach or method of valuation:

1. **The basis of value chosen is Market Value basis by Guideline publicly-traded comparable method.** This method utilizes information on publicly-traded comparable that are the same or similar to the subject asset to arrive at an indication of value. The prevailing market value is guided by reviewing the sale of commercial office spaces in the neighbour-hood.
2. According to the terms of assignment as well as from physical inspection of the property under question together with the availability of evidences, I opine that the premise of value, in this case, should be Current / Existing Use.
3. **According to IVS 104.150.1, being the manufacturing process is for ingot steel, the limitation is for the current use / existing use for the asset and liability. Hence the basis of value chosen is Market Value basis.**

4.. The prevailing market rent is by reviewing the Lease License Agreements of commercial office spaces in the neighbor-hood. Most of the agreements are contractual and oral agreements and are subject to for a shorter period only. The prevailing market rent varies with purpose and business type. This property is located in an unregulated market area.

5. In the subject asset, the owner is occupying the entire property, and hence a notional rental value has to be considered

6. The property is under the physical possession of -----Private Limited, and ----- Bank Ltd ----- Branch has taken symbolic possession of the unit.

7. Neither any comparable sale transactions within 500 m. radius of the property nor any lease transaction evidences of spaces are available for a prior period of 3 years in the vicinity.

8. Being a factory premises, neither detail of architectural / layout plans nor any structural building plan made available to the valuer.

According to IVS 105.60.1, the cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

According to IVS 105.20.1, the market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

Other Market Approach Considerations

IVSC 30.16. Anecdotal or “rule-of-thumb” valuation benchmarks are sometimes considered to be a market approach. However, value indications derived from the use of such rules should not be given substantial weight unless it can be shown that buyers and sellers place significant reliance on them.

IVSC 30.17. In the market approach, the fundamental basis for making adjustments is to adjust for differences between the subject asset and the guideline transactions or publicly-traded securities. Some of the most common adjustments made in the market approach are known as discounts and premiums.

Considering all the above-mentioned criteria of the subject property and the applicability of different approaches as guided by IVSC, to my opinion, the market value of the property can be estimated by the application of both market approach and cost approach with proper weightage.

2. The Methods Applied

There are different methods for determination of the value of a property. The most appropriate method should be chosen with reference to asset's nature and data available and it should not be for finding out the highest or the lowest value but for arriving at the most reasonable value.

For estimation of land fair market value under question by Market Approach, the valuer has adopted Comparable Transaction Method. also known as the guideline transactions method (**IVS 105.30.1**), utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

For estimation of market value of the buildings and ancillary structures in the property under question by Cost Approach, we have adopted Replacement Cost Method.

According to **IVS 105.70.2 & 3**, generally, replacement cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset. Usually replacement cost is adjusted for physical deterioration and all relevant forms of obsolescence. After such adjustments, this can be referred to as depreciated replacement cost.

Chapter 5

1. The Input Used

The following is the key input for land considered for this valuation exercise:

1. www.tnreginet.gov.in

The market value for the purpose of Registration of the property with following details have been obtained from the official website of the Registration Department, Government of Tamil Nadu. It is fair to mention that, the Government of Tamil Nadu by way of its Policy measures, has abruptly reduced the guideline value from 09.06.2017 by 33 1/3%. The website details for the land value before 09.06.2017 and after 09.06.2017 has been shown as an annexure. It may be noted that, the last revision was carried out in 01.04.2012 and later reduction in guideline value given from 09.06.2017. It is not generally revised every year. As per the official website of the Registration Department, Government of Tamil Nadu for these survey numbers- Guideline rate / per acre: Rs -----/- from 01.04.2012 to 08.06.2017 and Guideline rate / per acre: Rs -----/- from 09.06.2017

The Guideline value is less when compared to prevailing market value. Guideline value is the minimum rates for registration of properties, are so evaluated and determined by expert committees, as per statutory procedure. The Government is fixing the guideline value on an ad-hoc method and not for a specific property. It is thus evident that for the purposes of determining market value, guideline value fixed by Collector for the purposes of stamp duty would not be a relevant material

unless such determination is under a statutory obligation and after following a prescribed procedure. The Fair Market value may vary based on demand and on the willing buyer and willing seller.

2. Adoption of Weightages

The guideline rate for registration of property by the registration department for fixation of stamp duty will give a basic picture about the market rate at that place. But this will not be the exact present market value. The present market value may fluctuate in correlation with the guideline rate, depending upon the location, shape, size, usage for a specific purpose, future expectation, development of land with the prevailing rules and regulations. The valuer has to take all in to account with local market rate enquiries and determine the land market rate with due adjustments.

Land has innumerable characteristics of attributes. These attributes can be the deciding factor to have precise market on the property value. When comparing the sales instances these attributes decides the market value of a specific property. These attributes will change from locality to locality depending upon the local market. Therefore, a detailed market study and surveys and appropriate local enquiry on these attributes before deciding on the market value has to be done. In most cases, however, valuers generally consider four principal aspects of real estate and infrastructures like roads, drainage, electricity, and communications and compare between them to arrive at a valuation conclusion.

3. Adoption of Land Rate

These attributes are based on the economic, physical, social and legal factors or location, size, time aspect, age and physical state of the property including the infrastructures provided in the subject property are compared with those of the subject property. Relevant factors are found out and weightages are given.

The principle of addition or deduction in the land value covered by the comparable sale is thus adopted in order to arrive at the market value of this subject land. In applying the principle, it is necessary to consider all relevant facts. It is not the extent of the area covered under valuation, is the only relevant factor. The subject land area, it is fully developed having all amenities and situated in an advantageous position, and has in its vicinity roads, drainage, electricity, communications etc. and fully comply with the specific usage for the manufacturing activity. This tract of land, because of in an advantageous position, is capable of being used for a specific purpose and also situated in a developed area with little or no requirement of further development, the principle for the purposes of comparison is not warranted.

And also, there is no sale instances available in the vicinity for more than 5 years prior to this inspection date. So, the sales comparison cannot be adopted. Only source of authenticated market value is to be carried out.

4. Adoption of Building Plinth Area Rates

The plinth area rates for the buildings are derived from TN PWD of 2018-2019 & CPWD Plinth area rates 2012 for the technical specifications, location and type of structures. The depreciation of structures is as per the norms and also depending upon the deterioration and present conditions

Chapter 6

Specifications

6.1. Land Characteristics

- | | | |
|---|--|--|
| 1 | Location of the Property | Adjacent to -----Steel Rolling Mills P Ltd and nearer to ----- College, ----- in ----- Village, ----- Road |
| 2 | Land soil Type | Hard soil land |
| 3 | Independent access | Yes |
| 4 | Planning area/zone | Village Panchayat / Non planning Area |
| 5 | Descriptive account of location of property - social structure, population, social stratification, regional origin, economic level, location of slums, squatter settlements etc. | |

The property is 9 Kms from -----Town in ----- Road, in ----- villager. The location of the property is an agricultural belt with lesser population, lower income group, with adequate civic amenities.

- | | | |
|----|---------------------------|---|
| 6 | Water supply | Bore well water supply available |
| 7 | Sewerage/sanitation | Open sanitation - septic tank |
| 8 | Storm water drainage | Nil |
| 9 | Electricity | Available |
| 10 | Road and public transport | Available |
| 11 | Marketability | Fair |
| 12 | Scarcity | Nil |
| 13 | Demand and supply | Moderate |
| 14 | Comparable sale prices | Market rate - Rs 10 lakhs to Rs 15 lakhs / acre |

2. Land Description

Document Referred

Registered Deed of Modifications of Mortgage by Deposit of Title Deed No -----of -----dated ----- & Sale Deed No -----/ ----- dated -----

Boundaries Description

North	South	East	West
-------	-------	------	------

Extent

As Per Document

As Per Site Measurements

Discrepancies Recorded

Road Access: Locked / Direct / indirect

3. Land Valuation

Location and Description of Property Premises

Location: Area and Neighbor-hood

The economic vitality of the surrounding area and the immediate neighbor-hood encompassing a property often impacts the property's status, image, class and style of operation and sometimes its ability to attract and properly serve a particular market segment. This section reviews the subject property's neighbor-hood and evaluates any pertinent location factors that have a bearing on its value.

1. The Subject land is at Door No -----, -----Road, -----SF No ---, Ward ---, Town /village / city, Taluk, District, Pin code

2. The said land admeasures ----- square meters and is owned by M/S -----, and -----is a company incorporated under Company's Act in India to establish and developed -----Pvt Ltd in -----

3. In the year-----, the owner received formal recognition as an industrial premise, vide (Building plan Approval LP/ DCTP / -----Corporation / ----village panchayat for construction of ----- building with a plinth area of ----- square metre. The Plan Approval is valid for ----- from -----to -----.)

4. The building is a ----- storied, and developed as manufacturing unit for ingot steel. And christened as of ---- Pvt Ltd

5. The neighbor-hood is referred to, as in a village and the land is classified as agricultural ----- --in a remote area (area location),

6. Infrastructure facilities are well-developed in this part of the village. The asphalt-paved roads in the area operate a minimum of ----- lanes of traffic. Access to public transport system is good. The

bus services connecting the neighbourhood to the entire city operate at regular intervals. The railway stations for this area is ----- Town about 30 to 40 minutes'

7. Having said this it is important to note that the economic recession experienced on a national and local level did have a negative impact on social, economic, governmental and environmental influences and concurrently on the property values. Future growth in real estate values within this area is viewed to be at a much slower pace than in the past years.

8. With effective alternative industrial units available in this area, the demand and the propensity for buying these types of industrial units has drastically reduced. The sharp fall in the comparable sales, is also a reflection of the down trend / recession in real estate properties or less buyers in these types of power-oriented manufacturing units.

9. The other important parameter to be given due cognizance is the Security aspect, especially since the property under question is the power-oriented manufacturing unit.

Extent of land considered for valuation ----- in acres

Method adopted Market Approach method

Land use Ingot Steel manufacturing unit

Guideline rate / per acre: Rs ----- per acre from 01.04.2012 to 08.06.2017 and Rs -----
---/- per acre from 09.06.2017

After careful consideration of these factors and other attributes the land rate of the subject property as discussed in previous chapters, on the information provided to me and the market research and survey conducted by me, it is assumed at Rs -----/- per acre. The prevailing market rate nearby in this area by local enquiries is Rs ----- lakhs. So, it is safe to assume and adopt at Rs -----
----- per acre

Market rate adoption per acre Rs ----- per acre

LAND VALUE Rs 55,40,000

4. BUILDING & ANCILLERY STRUCTURES

No	Description / Specifications	Construction Year	Plinth area / square feet
1	Main production Shed AC sheet Monitor roof 56 '0" roof level & 47'0" @ eaves level with ISMB 600 / 500/ 400 built-in columns @ 30'0" @ gantry level, MS angle trusses and MS angle purlins and MS Gantry Girder, AC sheet cladding above 6 mts level, RCC isolated column foundations, cement concrete flooring	-----	-----
2	Con-cast Plant	-----	-----

AC sheet Monitor roof 56 '0" roof level & 47'0" @ eaves level with ISMB 500/ 400 built-in columns @ 30'0" @ gantry level, MS angle trusses and MS angle purlins, and gantry girder AC sheet cladding above 6 mts level, RCC isolated column foundations, cement concrete flooring

3 Store, pump house, Power house shed -----

AC sheet roof 25 '0" roof level & 20'0" @ eaves level with ISMB 250 columns, MS angle trusses and MS angle purlins, brickwork wall, RCC isolated column foundations, cement concrete flooring

4 Generator open shed -----

Open AC sheet lean to roof with tubular columns, tubular pipes and purlins, RCC isolated column foundations, cement concrete flooring

5. Assumptions

1. Plinth Area Rates are derived from CPWD / TN PWD Rates
2. For all the buildings year of construction are taken as 2007
3. Depreciation is considered for the year 2019.
4. Age of the building is taken as 12 years.
5. For all the sheds the total life is considered as 40 years
6. For the RCC structures the total life is considered as 60 years

7. Depreciation % age	For Sheds	0.270
	For RCC Bldg.	0.180

CHAPTER 7 ASSUMPTIONS AND LIMITATIONS

1. ASSUMPTIONS

For the purpose of this Valuation Report it is assumed:

1. That the legal description is correct,
 2. That the title to the property is legally sufficient and is assumed to be good and marketable.
 3. That there are no encumbrances or defects of title except for the mortgage. The unit is already mortgaged to ----Bank Ltd, ----- Branch. The Photostat copies of the documents received from ---- Bank Ltd, ----- Branch for carry out this valuation exercise are treated as copies of document - vide Registered Deed of Modifications of Mortgage by Deposit of Title Deed No ----- dated -----
-

4. We assume no liability as a result of matters of legal character affecting the property such as title defects encroachments liens overlapping boundaries / partition walls, agreements and easements rights.

5. That there are no structural conditions, which are not apparent. It is assumed that there are no hidden or unapparent conditions of the subsoil or structure that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering that might be required to discover such factors.

6. The guideline rate obtained from the official website of the Registration Department, Government of Tamil Nadu for these survey numbers are considered as the basis for valuing the fair value of land. The Guideline value is less when compared to prevailing market value. Guideline value is the minimum rates for registration of properties, are so evaluated and determined by expert committees, as per statutory procedure. The Government is fixing the guideline value on an ad-hoc method and not for a specific property. It is thus evident that for the purposes of determining market value, guideline value fixed by Collector for the purposes of stamp duty would not be a relevant material unless such determination is under a statutory obligation and after following a prescribed procedure. The Fair Market value may vary based on demand and on the willing buyer and willing seller.

1. The present use of the property is for manufacturing Ingot steel only.

2. The maximum width of the abutting road of the property is 30 feet.

3. The permissible FSI is well within the prescribed limit in the plot.

4. Life of RCC load bearing structure is 60 years

5. Life of AC sheet sheds is 40 years

6. Construction cost of structures are derived based on CPWD / TN PWD plinth area rates norms adjusted with the technical specifications of existing structures

2. SPECIAL ASSUMPTIONS

Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date. Due to the factors and other attributes detailed in above chapters, the land rate in the subject property, is assumed at Rs ----- -/- per acre. The prevailing market rate nearby in this area by local enquiries is Rs ----- lakhs. So, it is assumed and adopted at Rs ----- per acre

3. LIMITATIONS

1. The Valuer renders no opinion as to legal opinion or title; it is assumed to be marketable. Prevailing leases, liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property was appraised as though free and clear, under responsible ownership, and competent management.
 2. All estimates of value are presented as the valuer's considered opinion based on information obtained during the investigation and do not represent an offer to buy or sell.
 3. Testimony or attendance in court by reason of this valuation is not a requirement of this engagement, unless such arrangements have been made in advance and the client is ready to pay the fees against such expert service.
 4. This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the author.
 5. All information presented in this report is true and accurate to the best of the valuer's knowledge and belief.
 6. The effective date of the valuation sets the basis of value, which is based on the purchasing power of the Indian Rupee as of that date.
 7. The purpose of the valuation also sets the basis of value; this valuation report shall not be used for any other purposes apart from that mentioned in this report.
 8. This valuation report may give completely different result if any of the above-mentioned assumptions found to be not true.
 9. All the above calculations are subject to the assumptions, special assumptions and limitations stated in chapter 6 of this valuation report.
 - 10. Validity of this report is Three months only.**
-

CHAPTER 8

VALUATION CERTIFICATE

8.1. GENERAL ABSTRACT

Land Value	Rs -----
Building & Ancillary structures	<u>Rs -----</u>
FAIR VALUE	Rs -----

“Fair value” means the estimated realizable value of the assets of the corporate debtor, if they were to be exchanged on the insolvency commencement date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.

8.2. CERTIFICATE

It is hereby certified that in my opinion

FAIR VALUE	Rs -----
ORDERLY LIQUIDATION VALUE (SECTION 160)	Rs -----
FORCED LIQUIDATION VALUE (SECTION 170)	Rs -----

CHAPTER 9

DECLARATION

I hereby declare that:

Information provided is true & correct to the best of my knowledge & belief. Analysis & conclusions are limited by reported assumptions and conditions. I have no direct or indirect interest in the above property valued.

I have visited the subject property on 18.01.2019 with Mr -----, ----Bank Ltd, ----- Branch and on the date of inspection, in the presence of Mr -----owner's representative on -----

I have submitted my Valuation Report directly to Mr -----, IRP (IBBI/IPA----/IP-N-----/2016-17/------) for M/S -----Private Limited, ----- Road, -----, ----- Pincode

Enclosures:

1. TN Registration Website Guideline rate
2. Site plan & Building location plan
3. Google map for location with latitude & longitude
4. Photo exhibits for all buildings& ancillary structures and roads

Conclusion

All the three approaches have been considered in this valuation as per the theory. To suit the present status, legality, basis and methods, it is opined that the cost approach found to be the fit and proper for analysis of the Fair Value of the asset of the corporate debtor, on the insolvency commencement date. And this approach based on a straight forward determination of the collective value of an entity's assets, the Cost Approach method is utilized. Since this asset value is under stress, Liquidation Approach is used to find out the value on liquidation on the insolvency commencement date.
