THE GUIDANCE NOTE ON
VALUATION OF PLANT & MACHINERY
(2009 – First Revised Edition)
PREFACE

Practising Valuers Association (India) is pleased to introduce Guidance Note on Plant and Machinery in addition to the Indian Valuation Standards after a prolonged deliberation by an active participation of TEN leading valuation Practitioners situated in various cities of India.

We all are of the opinion that, technically our findings are invariably on a sound logistics. A group was set up to study the International Valuation Standards in the year 2007. After formulation of Indian Valuation Standards, expert feel to introduce these GUIDANCE NOTES with necessary modifications, as per law of our soil.

The Valuation Profession without being designated as specifically ‘Profession of Valuation’ has been in existence for well over 200 years. Whatever the situation, it is an admitted fact that, there is an element of subjectivity, while arriving at the quantity of market value. It was very much advocated that, all such subjective findings should be supported by
objective parameters and so, different methods of valuation were being followed. As the time advanced, it was felt necessary that, we should have uniformity in such findings and such findings should never be misleading and so, some more efforts were being done.

All the group participants were unanimous on one point i.e. every valuer should be a professionally qualified person (i.e. an Engineer OR an Architect basically) and then he should learn and practice the application of specialised knowledge to arrive at an estimated value for a specific purpose. Valuation is a time frame related and purpose oriented and so, it is absolutely mandatory for one and all who are in field of Practising valuation, to keep himself abreast of the latest developments of economic reforms, technology, various taxations and restrictive provisions incorporated by the legislation.

To meet with these requirements, leading practitioners are aggressively Practising and guiding the delegates in their Residential Continuing Education Programme every year. From last two years, it was felt necessary that, Guidance Note should be drafted so that it would play a very important role for governing the fraternity of Valuers, to suit the convenience of understanding in the context of Indian Economics and various legislations.

It is very much clear, well admitted and understood fact that, valuation is time frame related and purpose oriented; The requirement of valuation certification i.e. third party
opinion is constantly increasing for different purposes with fiduciary responsibility towards the end user.

In the year 2005, we approached the International Valuation Standards Committee (IVSC) to become a member so that by interaction with IVSC we can introduce Valuation Standards and the benefits of such standards would naturally accrue to the end users.

Today, we are very happy to come out with Guidance Note on Plant and Machinery which is compatible with the International Valuation Standards.

We hope, this Guidance Note on Plant and Machinery would be definitely beneficial to the end users and would simultaneously make Valuers more accountable, with fiduciary responsibility to the end users.

It is a proud privilege of the Practising Valuers Association (India) to launch this Guidance Note on Plant and Machinery and approach the various authorities to accept them for implementation.

Ar. Anup .A. Mohabansi
President ( PVAI )
ACKNOWLEDGEMENT

It is a proud privilege of the Practising Valuers Association (India) to launch this Guidance Note on Plant and Machinery.

Inspite of every Committee member’s very busy professional schedules, all our friends have toiled hard over the last Two years to make this Guidance Note on Plant and Machinery, a full proof document. Our whole team, under the able guidance of our President Ar. Anup Mohabansi could achieve the targets we had set, well before the CEP- Vadodara. Here one thing I would like to add that our president though he is an Architect by profession added one important topic of types of plant (paper presented at CEP Chennai 2006) which shows his keen interest & devotion for this fraternity.

The committee delegates meet on several occasions and have discussed through emails the various points suggested by the members vis-à-vis, the standards and guidance notes Plant and Machinery followed by ‘International Valuation Standards Council. Particular clarity is evolved and recorded here to clearly demonstrate that, the law of the soil will prevail over the findings arrived at by the Valuers, by clearly implementing the provisions of the enactment so that, all the issues are properly addressed before a Valuer arrives at a particular ‘figure of value’ / (or a particular quantum of value).
At an organised level many new things were being introduced and it was high time that, Practising Valuers also should have uniform standards which are compatible with the standards followed in advanced countries. Therefore we, as PVAI also started working on the same since 1997.

We are open to receive any suggestions OR improvement / modifications to these Guidance Note (GN) besides the constructive criticism

I am grateful to whole committee and members of PVAI for extending their support for preparation of Guidance Note on Plant and Machinery as we will not stop here & meet again and again in the future, as a strong group of one of the most efficient, hard working PVAI committee.

**Er. Rajan R. Kapile**
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# GUIDANCE NOTE ON VALUATION OF PLANT AND MACHINERY

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1.0 INTRODUCTION

1.1 Plant and equipment collectively constitute a general class of tangible property Assets.

1.2 Plant, Machinery & Equipment may be broadly divided into two categories:

1.2.1 That forming part of the factory or commercial building services installation, which are normally included in valuation of land & buildings.

1.2.2 Manufacturing process plant, machinery and equipment, which may have been installed wholly in connection with the occupiers industrial or commercial processes, together with furniture and furnishings, tenants’ fixtures and fittings, Vehicles, moulds and loose tools.

1.2.3 Plant and equipment are typically capable of being moved or relocated and often will depreciate at a significantly faster rate than real property. Frequently, the value will differ notably depending on whether an item of plant or equipment is valued in combination with other assets within an operational unit or whether it is valued as an individual item for exchange, and where it may be considered as either in-situ (in place) or for removal.
2.0 SCOPE

2.1 The Valuer should be in compliance with competence clause as Competency clause mentioned in Indian Valuation Standard Revision one.

2.2 In some jurisdictions legislation of financial services requires special licensing or registration.

2.3 It is such a vast field since there are so many different types of industries such as (Mechanical / Electrical / Electronic / Metallurgical / Marine engineering, Chemical process, Textile, Automobile, Metal & Steel Chemical, Pharmaceutical, Glass & Ceramic, Food & Beverages, Sugar, Distillery, Film etc.)
3.0 DEFINITIONS

3.1 **Plant**: Plant is defined as looping combination & interlinking of various machineries, equipment and specialized buildings.

3.2 **Machinery**: Machine is an apparatus used for a specific process in connection with the operation of the entity.

3.3 **Equipment**: Assets that are used to assist the operation of the enterprise or entity.
4.0 PURPOSES

4.1 Purposes are the base of Valuation, Valuation differ as per purposes

4.11 Valuation for New reinstatement insurance:
- Re instatement is the current new replacement cost.

4.12 Valuation for Income tax
- To arrive present market value considering depreciation, technological obsolesce, maintenance.

4.13 Valuation for wealth tax
- To arrive present market value as a capital. (i.e. using straight line method)

4.14 Valuation for stamp duty.
- During transfer of ownership for legal documentation.

4.15 Valuation for sale / purchase of property.
- To know / exact technical opinion for today’s market cost of the property.

4.16 Valuation for leasing
- To arrive the justifiable lease amount.

4.17 Valuation for incentive purpose.
- To know the acquisition cost
4.18 Valuation for collateral security purpose.
   ➢ To arrive the value this will compare the prime security & loan amount.

4.19 Valuation for foreign collaboration / merging.
   ➢ To arrive the net worth.

4.20 Valuation for B.I.F.R. cases.
   ➢ Board for Industrial & Financial Reconstruction cases for sick units requires valuation for Liquidation purpose.

4.21 Valuation for S.E.B.I. approval / public issue.
   ➢ Security & Exchange Board of India requires valuation to decide the value of share

4.22 Valuation for modernization
   ➢ To get the idea whether it is justifiable to invest on modernization or replace by new one.

4.23 Valuation for disposal.
   ➢ To arrive the disposal value considering the condition of sale & technical aspects.

4.24 Valuation for capital gain / gift deed.
   ➢ To arrive the value as on 1981 & today’s cost for gain tax.

4.25 Valuation for dissolution of partnership deed.
   ➢ To arrive the asset value to divide as per their share mentioned in partnership deed.

4.26 Valuation for revaluation to reflect true value of assets to the shareholders.
   ➢ To give the clear picture to shareholders regarding today’s position of the company.

4.27 Valuation for special purpose machine.
   ➢ Value for special purpose machine differs whether it is for loan or sale.
4.28 Values to assist Receivers and Liquidators in deciding their best course of action in handling their appointment.
- **Receiver.** person appointed to administer property bankrupt person etc. or property under litigation. **Liquidator.** person appointed to liquidate the property. So the valuation will assist to get result at the earliest.

4.29 Rating appeals, or divorce settlements,
- Rating is the estimated standing of company as regards credit etc.

4.30 Mortgage,
- Mortgage is conveyance of property to creditor as security for debt. Valuation serves the purpose of safety to creditor with respect to debt.

4.31 Impairment of Asset Purpose
- Carrying amount exceeds the amount to be recovered through use or sale of the asset.

4.32 Values where a company is extinguished (terminated, destroy or wipe out debt) or re-located under compulsory purchase order
- Valuation will give the exact scenario of today's value to restart or change of ownership.

4.33 Valuation of company assets for book purposes,
- Valuation will give the exact market cost irrespective of arrived by Income tax straight line method to improve net worth of the company.

4.34 Values for probate
- Valuation will give official proving of will.
5.0 RELATIONSHIP TO ACCOUNTING STANDARDS

5.1 Under International Financial Reporting Standards (IFRSs), Property Plant and Equipment may be included on an entity’s balance sheet at either cost less depreciation less impairment or at fair value at the date of revaluation less depreciation less impairment. (IAS 16, paras. 29, 30 and 31). The fair value of items of plant and equipment is usually their market value determined by Valuer (IAS 16, para. 32). Plant and equipment, together with other fixed assets, may be subject to other IFRSs, including IAS 2, and GN 3 Valuation of Plant and Equipment from International Valuation Standards Inventories; IAS 17, Leases; IAS 36, Impairment of Assets; IFRS 3, Business Combinations; and IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

5.2 International Valuation Application (IVA) 1, Valuation for Financial Reporting, sets out the valuation and valuation reporting requirements under the various IFRSs referred to above.

5.3 The valuation approach and assumptions applicable to a valuation of plant and equipment for inclusion in a financial statement may be different from those appropriate for another purpose. A clear distinction should be made if values for different purposes are reported in the same document. Different valuation assumptions may be appropriate under different IFRSs and therefore it is important for the Valuer to be familiar with the basic requirements of the relevant standard, and to discuss the appropriate assumptions with the client before proceeding.
6.0 METHODS OF VALUATION
( DEPRECIATION / ESCALATION )

6.1 Valuer must estimate all forms of depreciations in all types of plant, machinery & equipments. Wherever required use IOWA / RBI charts for depreciation calculation.

6.2 The types of depreciations which affect the life of machinery & equipments shall be considered as physical, functional, economic & environment parameters of depreciations.

6.3 Valuer shall use the depreciation word as difference between new replacement cost and its value.

6.4 While assessing the depreciation, Valuer should consider
   6.4.1 Age of machine,
        ➢ Age will give base for depreciation.
   6.4.2 Condition of machine,
        ➢ Condition will give state of being or fitness of machine
   6.4.3 Utilization
        ➢ Utilization will give use of machine
6.4.4 Future finite economic life,
   ➢ Will give the remaining calculable, definable life.

6.4.5 Technological and functional obsolesce,
   ➢ Technological change to improve efficiency.

6.4.6 Deterioration due to environment condition,
   ➢ Environmental effect to reduce strength, accuracy on moving parts.

6.4.7 New replacement Cost
   ➢ Will give the idea of cost of same new machine on today.

6.4.8 Price index
   ➢ Comparison of variation of price

6.4.9 Acquisition cost,
   ➢ The cost of purchase of machine base to determine value as on date.

6.4.10 cost of Repairs/Reconditioning
   ➢ The repairing/maintenance cost, it will be deductible to arrive present market value

6.4.11 Up gradation,
   ➢ Whether the machine is upgraded as per latest technology, the cost will be added for today's market value.

6.4.12 Impairment of functional capacity
   ➢ Whether the output is slower than the required.

6.4.13 Efficiency of equipment
   ➢ Will give the maximum output capacity. Some times machines are not used up to the maximum capacity.
6.4.14 Scrap value
   - The cost of machine as a scrap only. It is a non depreciable value.

6.4.15 Power Consumption
   - It is very important in today's scenario. Less power consumption will fetch comparatively more value.

6.4.16 Eco friendly
   - This is important which will improve the efficiency of working person & environment.

6.4.17 Raw Material availability
   - Will give the output & cost involved in manufacturing.

6.4.18 Skilled Operator
   - Skilled operator definitely improves the life of machine, so reduction in depreciation.
7.0 INVENTORY

The heart of the valuation is the inventory upon which it is directly based, and the inventory must be sufficiently accurate and detailed to serve as evidence to the final valuation.

The inventory should contain either within the description, or in side notes, the major facts which will influence the individual values. The description of any item, together with the Valuer’s side notes, should be sufficiently comprehensive and contain enough information for the valuer to explain, or even defend if needs to be, how he produced his opinion of value.

In the event that explanation ever be necessary, and this could happen months, or even years, after the event, then the valuer who has created his inventory thoroughly and conscientiously will never find himself in an untenable position. In addition, a well laid out and concise inventory, which leads the reader through the inspection of the assets, will impress the client. Besides being readily understandable, the inventory will remind the valuer of all the salient features throughout the site and enable the
valuation, which is based upon the inventory, to be as accurate as possible.

The duty of the valuer is, therefore, to inspect physically and then list, with the necessary identifying descriptions all the items with which he is concerned in the valuation, within all the areas under the valuation.

Area descriptions and asset descriptions, whilst being brief, must be sufficiently accurate and clear to enable even a layman to pick up the valuation inventory, walk into any part of the premises where the valued assets lie, and find and identify any one or all items. In all areas the sequence of asset descriptions must be in a logical order and follow a sensible pattern, assisted by internal area headings, which become even more important in open and spacious areas.

It is therefore essential that when the valuer leaves the site he is certain that all the relevant items, no matter how minor, are included in his inventory and that nothing has been missed.

It must not be forgotten that many assets lie above the eye line, or beneath the feet, and some will undoubtedly be hidden, particularly in congested areas. It is good practice always to check back over each area as it is finished, and to go over the entire premises at the end of the schedule, preferably in the reverse direction to the inventory order. There should be no need to check off the inventory, the sight of each item should be enough to register with the memory.
8.0 GROUPING OF ASSETS

All movable assets which concern the industrial Plant, Machinery and Movable Property Valuer will fall under one of the following groups:-

1. Plant and Machinery
   - The main manufacturing asset

2. Service systems
   - Systems required for running the main asset

3. Loose tools and equipment
   - Required for manufacturing the product as per design specification.

4. Fixtures and fittings
   - Require to improve the speed & quality of product.

5. Office furniture and office equipment
   - Other than the machinery.

6. Factory vehicles
   - Vehicle required for part of manufacturing product or for officials.
7. **External transport**
   - Means of external transport.

8. **Raw material stock**
   - The stock of raw material available.

9. **Work in progress**
   - The cost involved in the work which is in progress.

10. **Finished stock**
    - The cost of material ready for dispatch.

11. **Consumable stock**
    - The consumables required for machinery, end product etc.

Although all plant and machinery valuers will be expected to be able to schedule and value all items which falls under these eleven headings, most inventory work will be concerned with the first seven.

The normal practice, expected in very small valuations and global appraisals, is to schedule the assets sequentially in their various groups so that the final valuation summary shows the client the proportion of total values under each division. In the inventory each group will be headed and dealt with in sequence. When carrying out the complete valuation unaided it is better to schedule each group of assets during separate tours of the premises, and in the early days it will be surprising how each tour of the premises produce items which were never noticed during the previous tour for the last group.
9.0 FLOW CHARTS

Flowchart for Valuation Process

Meet Officials and Concerned Staff.

Analyse the assignment and ask for all relevant Data

Take a short trip to whole Unit and develop a Blueprint of product being manufactured.

Draw a rough flow chart using your logic.

Develop a rough sketch of unit with main Sections and Orientation of the unit, obtain Plans.

Ensure to carry essentials like Camera, Tape, Pencil/Pen Safety Shoes, Cap/Helmet as required, pad etc.

Make list / Inventory, Note all relevant Data, Make list of rooms/ Department wise.

Make separate note of Furniture, Office Equipment, Store item, goods in process, finished goods, etc.

Clarify all points from, staff and Officials before you leave, Second visit may not be possible take Ph.no.
Flow Chart for Manufacturing High Chromium Grinding Media Balls With the Moulding Machine – Automatic

Charge Materials at Induction Furnace

Molten Metal

Chemical Analysis Using Spectrometer

Splashes

Pigging

Not Ok

Returns

Reject

Grinding

WIP

Ok

Heat Treatment

Dispatch

Sand Ingredients at Mixer

Mould DISMATIC Moulding Machine

Not Ok

Assembled Moulds

Pouring

Knockout/Felting

Breaker Drum

Balls

Inspection
FlowChart for Manufacturing D I (Ductile Iron) Pipes.

Annealing Furnace
Charge Mat – D I Pipes
Max Temp – 1000 deg C

QC

Centrifugal Casting Machine Pipe Dia -100 – 400 Dn

Mg Converter

Melting Furnace – 8 Ton
Holding Furnace – 8 Ton

Pig Iron

QC

Zinc Coating Bay

Zinc Coating Machine

QC

Cut Off And Chamfering Machine

QC

Hydrostatic Pressure Testing Machine Press – 50 Bar

Cement Filling

Cement Lining

Steam Curing

Preheating Oven

Bitumen Spraying

Paint Drying

QC

QC

QC

QC

QC

QC

Cement Silo

Sand Silo

Mixer (cement+ sand + Water).

Slurry Feeding Device. 750 L/hr

Boiler Cap. 2 Ton

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10.0 TYPES OF PLANTS AND MACHINE

For manufacturing items, Plants are established Plant is sole process of Manufacturing items Normally the plant consists of:

- Number of different types of machinery,
- Ancillary plants
- Service system
- Controlling unit
- Raw Material storage
- Finish Goods storage

As per valuation norms:

All movable assets which concern the industrial plant, Machinery will fall under one of the following groups.

1. Plant and machinery
2. Service system
3. Loose Tools & Equipments
4. Fixtures & Fittings
5. Office & other Furniture
6. Office Equipments (Computer Hardware, Software, Typewriters, Printing, Xerox & others)
7. Vehicles
8. Raw Material Stock
9. Finished Stock
11. REPORTING VALUATION

Points to be observed in Reporting:

1. Intended use,
2. Intended user,
3. Location,
4. Method of Valuation,
5. Physical inspection of P & M assets by principal valuer, accompanied by owner/Chief executive etc. particularly, when the factory is in running condition.
6. Detailed examination of each individual machine or Equipment with its technical specification such as Identification no.
8. Make / model,
9. Year of manufacturer,
10. Capacity,
11. Types of fixtures,
12. Power/electrical requirements,
13. Mechanism/technology involved erection/commissioning & trial expense,
14. Taxes Verification of available records such as C. A. certificate details, Asset Register, Bills, vouchers invoices, duties taxes paid, type of dealing during
purchase, repairs renovation / modifications carried out on any machine etc. with relevant noting / data collection.

15. Technical discussions on the latest layout drawing,


17. Case of imported plant & machinery it is important to find out whether it is old / new machine, origin of equipment / country, duty paid, year of manufacture, type of technology used in machine, exchange rates etc.

18. Detail inspection of available support facilities along with utility equipments used for Air, Water, Gas, Electricity, transport inclusive of types of material handling, used / provided / required, production aids, moulds, rigs / fixtures / patents etc.

19. Record the mismatches, negative values recent technological changes / up gradation, repairs etc if found available & to be recorded separately.

20. Details of foreign collaboration agreements if applicable.

21. Collection of general information of factory as per your own style and method of working for knowing reputation of factory in market.
CERTIFICATE OF VALUE
(This certificate is issued for a specific purpose only. It is subject to the Declaration & Statement of Limiting Conditions recorded herein.)

(1) PURPOSE OF VALUATION :-
"To arrive the Present Market Value of the Movable asset for M/s. ,,.

(2) Location :- Plot No. Sector No.

To Determine Present Market Value as on.

[3] Intended Use

Bank.

"Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer & willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently & without compulsion."


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Physical inspection of P & M assets by principal valuer accompanied by owner/Chief executive etc. particular

VALUATION:-
We hereby certify that, the asset, more particularly so described in Annexure - A of this certificate, have been assessed by me, for the purpose recorded herein above & in our considered opinion, it is valued at

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<th>TOTAL VALUE</th>
<th>Rs.</th>
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IN WORDS RUPEES ONLY.

SCOPE OF APPRAISAL:

Unit started in the year as a partnership firm. In the year it became limited firm. The plant shifted in the new premises from year. Some of the machinery imported from Almost % export as reported.

The outer body of the pump is of Steel causing 40% energy saving. They got 4 star from Bureau of Energy Efficiency (BEE). Presently they are developing booster pump which is useful for maintaining the pressure in long pipe line. Overall unit found well maintained. Machinery inspected in working condition.

Person accompanied Mr. -----------------------------

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DOCUMENTS AVAILABLE FOR INSPECTION:
[1] Machinery Invoices
[2.] Balance Sheet 200 -200 & 200 -200
[3] Company Profile

We confirm that, our Certificate of Practice
(COP No. LM – ) is valid on the date of certification.
Our report is in line with Indian Valuation Standards.

Place :
Date :
Seal :

Signature Of Principal Valuer
REPORT OF VALUATION OF MACHINERY AND PLANT

TO WHOMSOEVER IT MAY CONCERN

This is to notify that on request of __________________________ undersigned has visited the works of ______________________ on __________ to carry out Valuation of Plant & Machinery lying there in.

Our comments are as under :

1. The unit is suitable for manufacturing .
2. The unit started manufacturing in .
3. The condition of Machinery is Good/Fair/ Poor/ Scrap.
4. There will be ready buyer for these Machines/ it will be difficult to get ready buyer for these Machines.

Purpose for which Valuation is made :

Date as on which Valuation is made :

BASIS OF VALUATION :
(For Liquidation Purpose).

The Valuation is carried out on Distress sale basis. (Orderly Liquidation). The price of similar equipments available as second hand item is taken as base. Obviously the cost incurred in erection, commissioning and civil foundation is not considered here. Over and above the cost of loading, unloading and transportation is deducted from its gross value.
For very poor & scrap condition equipments, salvage value is
considered, The U.G. tanks, reservoir, masonry chimney etc.
are not considered in such case, since they will not fetch any
value.

(Common)

We have considered Present Price of similar Machines
available in Market. Depreciation is deducted from it
depending on its usage & condition to arrive at Present
Market Value of same. For very old and obsolete Machines,
suitable obsolesce factor is also applied over and above
Depreciation.

(For Bank Purpose)

The Valuation is carried out on Running Unit Basis. The
present price of similar Equipments is considered and
Depreciation is deducted from it to arrive at Present market
value. The cost of erection & commissioning along with civil
foundation is taken in basis cost. The cost of fittings,
instrumentation, insulation, drive package, supports etc. is
included in basic vessel itself. For very old & obsolete
Machines, suitable derating factor is applied.

Detailed list is as below: Date of possession

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Description</th>
<th>Qty.</th>
<th>Present Market Value Rs.</th>
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(Rupees______________________________________________ Only).

Based on above, we certify total present market value of above listed Machinery as Rs. ________________________ only.

**Note** : The Distress Sale Value of Above Plant & Machinery can be taken as ____% of above.
STATEMENT OF LIMITING CONDITION:

1. Assumptions are made to the best of our knowledge and belief. Reliance is based on the information furnished to us by the identifier AND/OR client.

2. The valuer shall not be responsible for matters of legal nature that affects the values and opinion expressed by us.

3. If our appearance is required, we will be pleased to appear and give the necessary clarification, provided the fees for each appearance (including traveling, per diem and out of pocket expenses) is pre-determined in writing the acceptance of the assignment under reference.

4. In no event shall the valuer be held responsible or liable for special, direct, indirect or consequential damages as the assignment has been completed on best efforts, available knowledge and in good intentions of persons concerned and belief.

Above certificate is issued in Best Engg. Practice & without prejudice to any body. No consideration has been given to liens or encumbrances which may be against the property. No investigation of legal fee or title to the property has been made and the claim to the property has been assumed to be valid.

This valuation report shall not be used for any other purpose, other than specified in purpose of valuation.

I hereby declare that –

a) The information furnished above is true and correct to the best of my knowledge and belief; the statements of fact contained in this report are true and correct, and this report has been prepared in conformity with the Principles of
valuation practice and code of ethics of the practicing valuers Association (India)".

b) We have no direct or indirect interest in the machinery/plant valued;

c) We have personally inspected the machinery / plant ;

d) We have not been convicted of any offence or sentenced to a term of imprisonment.

Date :

Place :

(                      )

Govt. Approved Valuer

Ref. No.: MS/     /2005

DATE OF VALUATION : 

PURPOSE OF VALUATION :

PLOT NO. & AREA : 

YEAR OF CONSTRUCTION :

AMENITIES :

Pursuant to instructions received from the Client, I have inspected the above property under valuation for ascertaining its Fair Market Value.

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CONSTRUCTIONAL DETAILS:

Based on above & prevailing

Based on above, I assess the present market value of above aforesaid property as Rs.____________/- only.

STATEMENT OF LIMITING CONDITIONS:

1. Assumptions are made to the best of our knowledge and belief. Reliance is based on the information furnished to us by the identifier AND/OR client.

2. The valuer shall not be responsible for matters of legal nature that affects the values and opinion expressed by us.

3. If our appearance is required, we will be pleased to appear and give the necessary clarification, provided the fees for each appearance (including traveling, per diem and out of pocket expenses) is pre – determined in writing the acceptance of he assignment under reference.

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This valuation report shall not be used for any other purpose, other than specified in purpose of valuation.
I hereby declare that –

xlvii
a) The information furnished above is true and correct to the best of my knowledge and belief; the statements of fact contained in this report are true and correct, and this report has been prepared in conformity with the Principles of valuation practice and code of ethics of the Practicing Valuers Association (India)

b) We have no direct or indirect interest in the property valued;

c) We have personally inspected the property;

d) We have not been convicted of any offence and sentenced to a term of imprisonment.

Date :

Place :

12.00 EFFECTIVE DATE OF GUIDANCE NOTE -

Valuation of Plant and Equipment, This application is effective from 18th Aug. 2009.