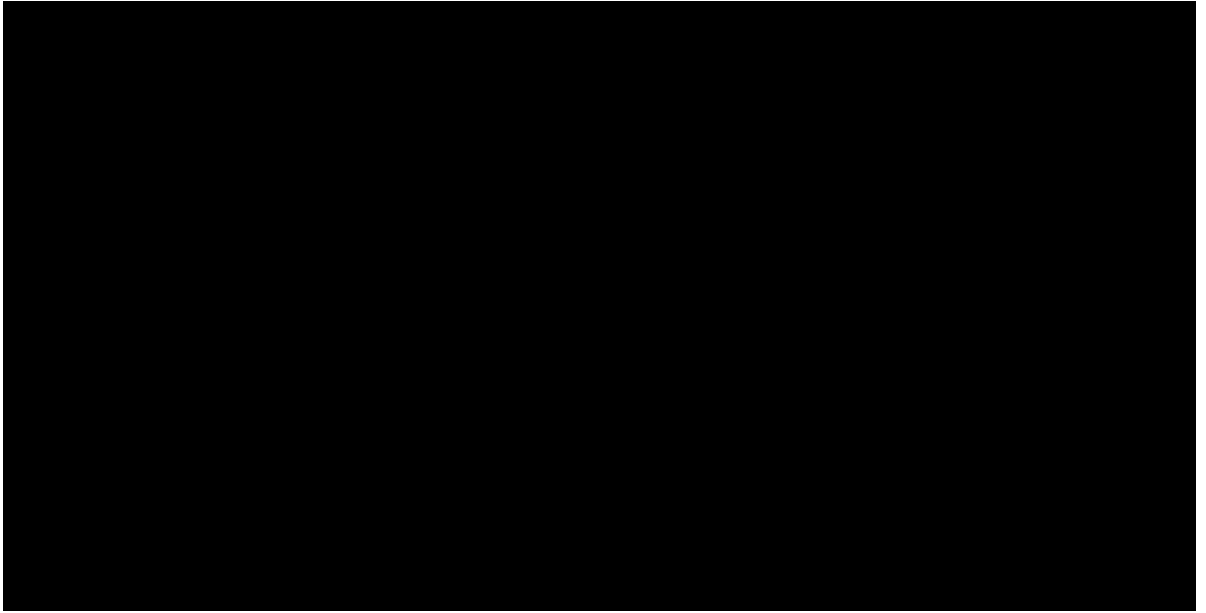
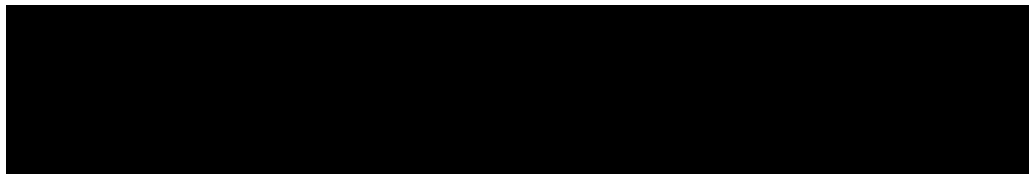


# ASSESSMENT OF FAIR MARKET VALUE OF PROPOSED

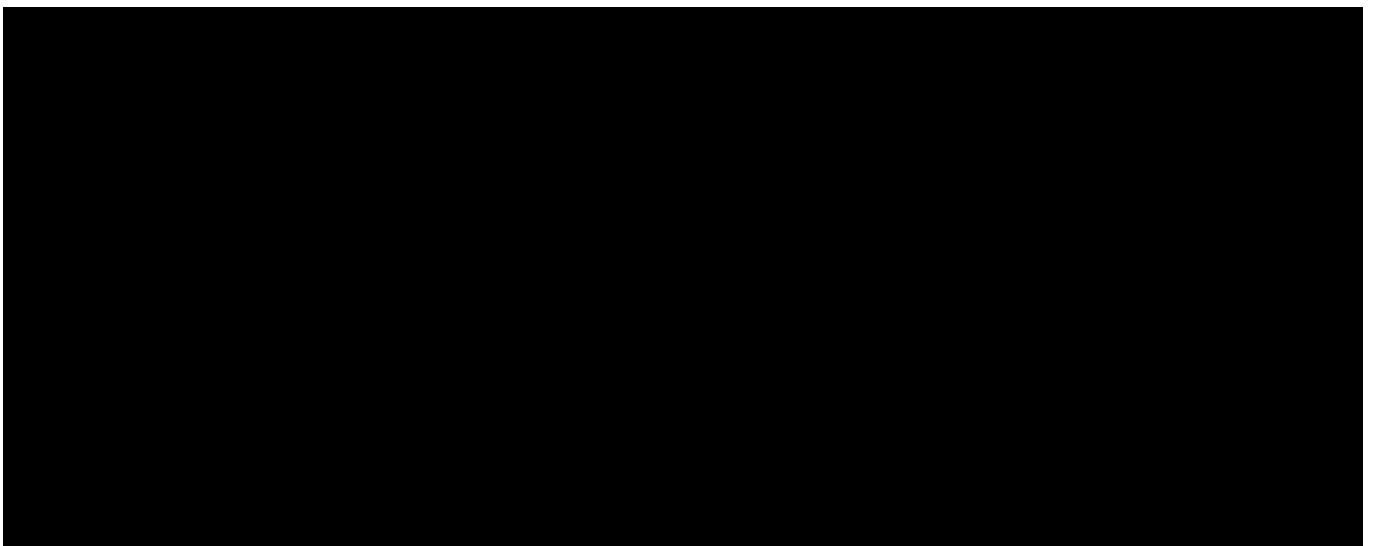


OWNED BY



Mumbai, India

January, 2019



VALUATION OF PROPOSED DEVELOPMENT OF OPEN LAND, ON \_\_\_\_\_,  
MUMBAI, MAHARASHTRA, \_\_\_\_\_

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2013-19

VALUATION OF PROPOSED DEVELOPMENT OF OPEN LAND, ON [REDACTED]

MUMBAI, MAHARASHTRA, [REDACTED]

Date: 18<sup>th</sup> February 2019

### VALUATION SUMMARY

Property valued	To ascertain the fair market value of the shares of [REDACTED] Ltd. in the undivided share of land bearing [REDACTED] and [REDACTED] [REDACTED]
Present Land Owner as Per PR Card	[REDACTED]
Location	[REDACTED]
Nature of assignment	To assess the Fair Market Value of the subject property on the basis of a redevelopment of the subject property for "settlement with the [REDACTED] [REDACTED], based on the documents provided to us. (Agreement of Sale, Conveyance, Construction Agreement)
Land Area	8,408.65 sq. mtr. (As per OC dated May 2005)
Date of Inspection	14 <sup>th</sup> January 2019
Date of Valuation	14 <sup>th</sup> January 2019
FAIR MARKET VALUE (Rs.)	
SCENRAIO 1 (Share in Development)	<ul style="list-style-type: none"><li>• [REDACTED] – Rs. 278 Crs. (Rs. Two Hundred Seventy Eight Crores)</li><li>• [REDACTED] – Rs. 417 Crs. Rs. Four Hundred Seventeen Crores)</li></ul>
SECNARIO 2 Residual Value of Land	Rs. 390,69,01,032 (Rs. Three Hundred Ninety Crores Sixty Nine Lakhs One Thousand Thirty Two Only)

## 1. INTRODUCTION

### 1.1 Instructions

■■■■■, referred as Consultant /Govt. Registered Valuer, has been appointed by "■■■■■" referred as the company, to provide an opinion on the fair market value of their share in land bearing ■■■■, ■■■■ on the basis of a redevelopment of the subject property.

### 1.2 Date of Visit

The subject property has been physically inspected on 14<sup>th</sup> January 2019.

### 1.3 Date of Valuation

The Fair Market Value of the subject property is as on 14<sup>th</sup> January 2019.

### 1.4 Purpose of Valuation

It is understood that the Assessment of Fair Market Value is required by the company as on the date of valuation i. e. 14<sup>th</sup> January 2019 for the share in subject property:-

1) Share in Development (Built-up area basis):-

Sr. No.	Share Holders Name	Percentage of Share
1	■■■■■	40%
2	■■■■■	60%

## 2. SUBJECT PROPERTY

### 2.1 Location

Geographically located in the South part of [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] is one of the Mumbai's oldest and most established location. There is a significant level of redevelopment going on within [REDACTED] and its surrounding area.

## 2.2 Property Description and Area Schedule

### Area Schedule:-

As per the property card provided by the client to us, it is understood that the subject land admeasures 9,221.60 sq. mtr. Of land area. But as per the Antecedent Title deed the subject land admeasures 8,408.65 sq. mtr.

The land under valuation is presently having a Ground + 7 upper storied residential building known as \_\_\_\_\_, in the south part of the subject land. Also ground + 4 storied studio building known as \_\_\_\_\_ Godown and ancillary structures in the north part of the subject land.

At the time of inspection, it is informed by the developer that, studio building, Godown and ancillary structures will be demolished and the property will be redeveloped.

Tabulated below is the detailed area statement of proposed development as per DCR-2034 is as below:-

Sr. No.	DESCRIPTION	Sq. M.
1	AREA OF PLOT	8,408.65
2	DEDUCTIONS FOR:	
A	DP ROAD	-
B	ROAD SETBACK	-
C	RESERVATIONS	-
D	TOTAL DEDUCTIONS	-
3	BALANCE PLOT AREA (1-2d)	8,408.65
4a	R.G - 15% (AS PER DCR)	1,261.30
4b	AOS – 5% (AS PER DCR)	420.43
5	NET PLOT AREA (3 - (4a+4b))	6726.92
6	ADDITIONS FOR:	
	2a, 2b, 2c	1261.30
7	GROSS PLOT AREA	7988.22
8	FSI PERMISSIBLE	1.33
9	ADDITIONAL FSI CREDIT AVAILABLE	
	9a By PREMIUM - ROAD WIDTH 12.0 m TO 18.0 m	0.62
	9b - BY TDR - ROAD WIDTH 12.0 m TO 18.0 m	0.45
	Total Additional FSI	1.07

VALUATION OF PROPOSED DEVELOPMENT OF OPEN LAND, ON \_\_\_\_\_,  
MUMBAI, MAHARASHTRA, \_\_\_\_\_

Sr. No.	DESCRIPTION	Sq. M.
10	PERMISSIBLE BUILT-UP AREA (7 x 8)+(7 x 9)	19171.72
11	EXISTING BUILT UP AREA TO BE RETAINED-SOCIETY	5,811.46
12	PROPOSED BUILT-UP AREA	13360.26
13	EXCESS BALCONY AREA PROPOSED	-
14	PURE RESIDENTIAL AREA (OUT OF 11)- assumed 95%	12,692.25
15	COMMERCIAL AREA (11-13) assumed 5%	668.01
16	FUNGIBLE AREA (35% OF 13) RESIDENTIAL	4,442.29
17	FUNGIBLE AREA (20% OF 14) COMMERCIAL	133.60
18	TOTAL FUNGIBLE AREA PROPOSED (15+16)	4,575.89
19	TOTAL BUILT-UP AREA PROPOSED (12 +18)	17,935.89
	in Sq. Ft.	1,93,061.92

### 2.3 Surrounding Development

Subject property is located in fully developed residential cum commercial area of Dadar. Transport facilities in the form of bus routes and Taxies are available within a radius of about 1 to 5 kms from the subject property. Whereas some of the other prominent development surrounding the subject property include, High rise residential \_\_\_\_\_ from the subject property

Tabulated below is the snapshot of the accessibility & linkage to the subject property by the key transportation modes & important locations.

From	Approximate Distances (Km.)
_____	0.5 to 1.0
_____	9.5 to 10.5
_____	11.0 to 12.0

### 3. PROPERTY TITLE AND PLANNING

#### 3.1 Property Title

As per the documents and information furnished by client, it is understood that the subject property is jointly owned by [REDACTED] in the land holding and development rights being 60:40 between [REDACTED] on the total land excluding the existing built area and sanctioned area of [REDACTED]

*However, no title verification has been carried out to certify the same.*

#### 3.2 Zoning and Planning Constraints

Sanctioned plan copy is obtained vide its letter no. [REDACTED]



## 4. ASSESSMENT OF FAIR MARKET VALUE

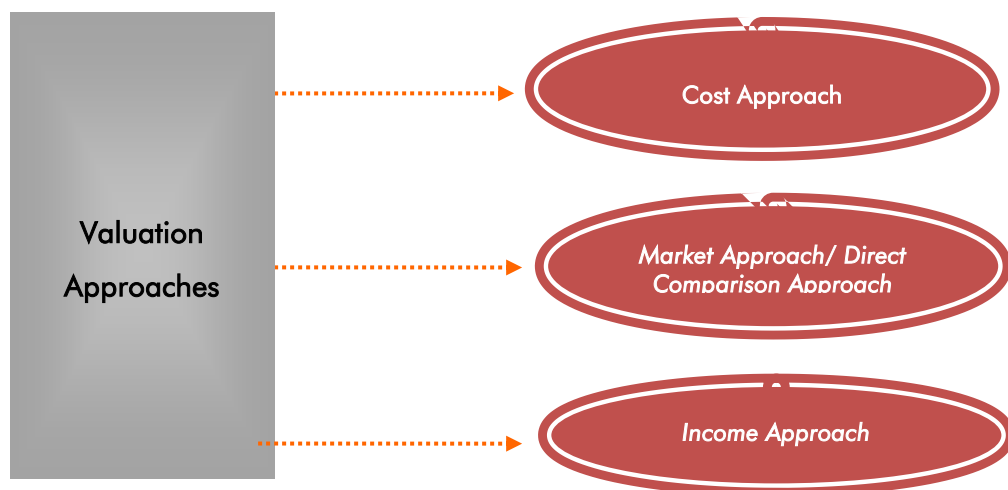
### 4.1 Scope of Valuation

The valuation exercise is aimed at the assessment of the Fair Market Value of the subject property i.e proposed developing land bearing \_\_\_\_\_

\_\_\_\_\_

### 4.2 Valuation Approach

The objective of the valuation exercise being to assess the Fair Market Value of the subject property 14<sup>th</sup> January 2019. This would be achieved by a systematic gathering, classification, and analysis of data, which is required in the development of the following approaches to valuation: *Cost Approach, Market Approach/Direct Comparison Approach*



#### ♦ Cost Approach

This approach consists of estimating the replacement cost of the asset along with all improvements therein, deducting accrued depreciation from all sources. The value derived from this approach is a summation of the various property components contributing to the total property value, and it is applicable when each component is independently measurable, and when the sum of all components is believed to reflect market value.

This approach is commonly used for assets for which appropriate comparative benchmarks are not easily available but historic costs are available as well as replacement / re-instatement costs are available in the open market. Primarily used for financial reporting

purposes on company balance sheets as well as for assessing the present worth of the assets for insurance cover, price allocation for each asset, etc.

♦ **Market Approach / Direct Comparison Approach**

The Direct Comparison Approach involves a comparison of the subject property to similar properties that have actually sold in arms-length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis.

The job involves inspection of site, collecting the necessary data from the site and then applying suitable market rate to arrive at the market value. To derive the market rate a general survey is carried out in nearby location to see if any comparable sales have taken place, data collected from the Sub-Registrar's office also aids in arriving at the market rate of the property.

Influencing factors such as shape, size, quantum of land parcel, location, market and development potential, etc. are some of the criteria adopted in deriving the market value of the land parcel.

♦ **Income Approach**

Income Approach is based on the premise that the asset is an income-producing asset and the value is a function of future benefits and income that could potentially be derived from the asset. This involves determining the highest and best use for the property, keeping in view the zoning regulations and development controls applicable to the property in question.

The Residual Method of valuation is essentially a means of valuing land by reference to its development potential by deducting development costs including demolition cost (if any), foundation cost, superstructure construction cost, professional fees and finance costs, together with developer's profit and risk, etc. from its estimated Gross Development Value (GDV), which is the aggregate market value of the Property assuming the development was completed as at the date of valuation and sold at prices around date of valuation.

The residual approach involves firstly the assessment of GDV of the property. Estimated total cost of construction of the development including professional fees, plus an allowance for

interests and other associated expenditure including developer's risk and profit are deducted from the GDV. The resultant figure is the residual site value.

*In this particular instance, since the purpose for assessing the Fair Market Value of the subject property is for the settlement with \_\_\_\_\_ Market Approach has been adopted.*

#### 4.3 Valuation Methodology

##### Market Approach:-

Under the direct comparison method the subject residential property would be benchmarked against same or similar property either transacted or available for sale property, and properties that are typically traded on a sq. ft. of built-up area unit basis.

##### Stamp Duty Ready Reckoner Rate

As per the findings from the market research, Sub-Registrar Mumbai, Maharashtra, it is understood that the circle rates for residential flats for the purpose of Stamp Duty registration, at \_\_\_\_\_

##### Market Research

During the course of market research, a review of the transactions recorded at the office of the sub-registrar of Mumbai was undertaken in order to establish the documented transactions in the micro market for 2017-18 year, which are tabulated as overleaf.

## VALUATION OF PROPOSED DEVELOPMENT OF OPEN LAND, ON

DEVELOPER

Sr. No.	Regn. No.	Date of Agreement	Date Of Regn.	Address	Seller	Buyer	Area in Sq. ft. o Built-up	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Rate in Rs./sq. ft. of Built-up
1		12-10-18	12-10-18				1981	97,249,788	92,249,788	49,091
3		12-12-18	12-12-18				2514	100,952,045	70,201,051	40,151
		12-12-2018	12-12-18				1272.0 9	4,63,94,960		36,471

**VALUATION OF PROPOSED DEVELOPMENT OF OPEN LAND, \_\_\_\_\_,  
MUMBAI, MAHARASHTRA, \_\_\_\_\_**

As mentioned above in the table, it is understood that the transactions were recorded for the residential units at a range of Rs. 36,000/- to Rs. 49,000/- per sq. ft. of built-up

Apart from these above mentioned transactions, while doing our secondary market research, we have found some under construction residential project. Tabulate as below is the details:-

Sr. No.	Name of Building	Name of Developer	Configuration	Built-up Area in sq. ft.	Quoted Price in Rs.	Quoted Rate in Rs./sq. mtr. of Built-up Area
1	_____	_____	1 BHK	516.03	19,600,000	37,983
			2 BHK	813.63	30,900,000	37,978
			3 BHK	1,182.02	44,900,000	37,986
2	_____	_____	3 BHK	1,933.26	66,300,000	34,294
			3 BHK	2,344.79	80,500,000	34,331
			4 BHK	2,985.59	102,500,000	34,332
3	_____	_____	1 BHK	734.97	18,300,000	24,899
			2 BHK	1,089.96	27,200,000	24,955
			3 BHK	1,399.97	35,100,000	25,072

Our market survey in the vicinity amongst estate & property brokers revealed that residential flats are being sold at a rate ranging from Rs. 25,000/- to Rs. 37,000/- per Sq. ft. on built-up area.

**A) Scenario 1- Share in the Development**

Thus considering the location and making enquires in the vicinity a rate of Rs. 36,000/- per Sq. ft. on built-up area is considered to be reasonable as on the date of valuation.

Tabulated below is the fair market value of the subject property

Proposed Built-up Area in Sq. ft.	Unit Rate (Rs./sq. ft. of Built-up Area)	Fair Market Value in Rs.
1,93,065	36,000	695,03,30,542

Tabulated below is the Fair market value of each share holder:-

Share Holders Name	Percentage of Share	Fair Market Value in Rs.	Share Value in Rs.
_____	40%	6,95,03,30,542	2,78,01,32,217
_____	60%	6,95,03,30,542	4,17,01,98,325
<b>TOTAL</b>			<b>6,95,03,30,542</b>

**B) Scenario 2- Residual Value of Land:**

Considering the location, type of construction and specification of building materials used, a rate of Rs. 36,000/- sq. ft. of built-up area is considered to be the price for completed apartment. Tabulated below is the fair market value of the total proposed area after deducting various costs associated with the project from the total estimate sales/revenue and providing for suitable Developer's profit etc.

	Description	Unit	Value/Rate in Rs.
<b>INFLOW</b>			
A	Proposed Built-up area	sq. ft.	1,93,065
B	Unit Sale Rate	Rs./sq. ft. of BUA	36,000
<b>C</b>	<b>Total Inflow (A X B)</b>	<b>Rs.</b>	<b>695,03,30,542</b>
<b>OUTFLOW</b>			
D	Construction Cost @ 2500 per sq. ft. of Total Construction area	Rs.	60,33,27,304
E	Approximate Payment details of Fungible for MCGM Premium	Rs.	27,29,00,052
F	TDR Cost	Rs.	46,94,67,542
G	Approval costs, scrutiny costs etc.	Rs.	19,30,64,737
H	Consultant's Fee, Legal, Marketing, PMC cost @ 8% of (D+E)	Rs.	12,31,00,771
I	Cost of Finance @ 16% on 60% of (D+E+F+G+H) for 2.5 years	Rs.	39,88,46,497
<b>J</b>	<b>Total Outflow (D+E+F+G+H+I)</b>	<b>Rs.</b>	<b>206,07,06,904</b>
K	Net Sales income (C-J)	Rs.	488,96,23,638
L	Developers Profit @15%	Rs.	98,27,22,607
	<b>Fair Market Value (K-L)</b>	<b>Rs.</b>	<b>390,69,01,032</b>

**ANNEXURE A – ASSUMPTIONS AND 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 the company.
2. The property is valued on the assumption that it is free and clear of all mortgages encumbrances and other outstanding property tax, premiums and charges.
3. No legal verification of the title of the property has been undertaken and the valuer shall not be responsible for any matter of legal nature that affects the value and the opinion expressed by us.
4. Where it is stated that the company has supplied information to the valuer, this information is believed to be reliable, but the valuer can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained from our market research.
5. 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.
6. If our appearance is required, we will be pleased to appear and give the necessary clarifications, provided the fees for each appearance (including out of pocket expenses) are pre-determined.
7. The report is for the sole use to the company, it has been addressed to; neither the whole nor any part of this valuation report and any reference there to may be utilized without the prior written approval of M/s. Kanti Karamsey & Co. Advisors LLP.
8. The valuer's responsibility in connection with this valuation report is limited to the company to whom it is addressed and to that company only. The valuer disclaims all responsibility and will accept no liability to any other party.
9. Validity of this report is as on date of valuation report only.

ANNEXURE B-PHOTOGRAPHS

