**REPORT FORMAT:** V-L4 (RKA - Medium) | Version: 10.2\_2022

**CASE NO. VIS (2022-23)-****PL392-Q091-316-586 DATED: 01/11/2022**

**VALUATION REPORT**

**OF**

**M/S ASIAN HOTELS (NORTH) LIMITED**

|  |  |
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| **NATURE OF ASSETS** | **COMMECIAL HOTEL COMPLEX** |
| **CATEGORY OF ASSETS** | **COMMERCIAL** |
| **TYPE OF ASSETS** | **HOTEL, SHOPS & OFFICES** |

**SITUATED**

**DISTRICT-CENTRE, BHIKAJI KAMA PLACE, RK PURAM, NEW DELHI-110067**

**OWNER/S/ CONCESSIONING AUTHORITY**

**M/S ASIAN HOTELS (NORTH) LIMITED**

**CONCESSIONAIRE**

**M/S ASIAN HOTELS (NORTH) LIMITED**

**REPORT PREPARED FOR**

**BANK OF MAHARASHTRA, ZONAL OFFICE, KIDWAI NAGAR, NEW DELHI, 110023**

***\*\*Important - In case of any query/ issue/ concern or escalation you may please contact Incident Manager @ valuers@rkassociates.org. We will appreciate your feedback in order to improve our services.***

***NOTE: As per IBA Guidelines please provide your feedback on the report within 15 days of its submission after which report will be considered to be accepted & correct.***

***Valuation Terms of Services & Valuer’s Important Remarks are available at*** [***www.rkassociates.org***](http://www.rkassociates.org) ***for reference.***

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| **PART A** | **SNAPSHOT OF THE ASSET/ PROPERTY UNDER VALUATION** |



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| **PART B** | **SUMMARY OF THE VALUATION REPORT** |

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| **S.NO.** | **CONTENTS** | **DESCRIPTION** | | | | |
|  | **GENERAL DETAILS** | | | | | |
|  | Report prepared for | Bank Of Maharashtra, Zonal Office, Kidwai Nagar, New Delhi | | | | |
|  | Name of Borrower unit | M/s Asian Hotels (North) Limited | | | | |
|  | Name of Property Owner | M/s Asian Hotels (North) Limited | | | | |
|  | Address & Phone Number of the owner | Regd. Office: - Hyatt Regency, Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066 | | | | |
|  | Type of the Property | Hotel, Shops & Office Space | | | | |
|  | Type of Valuation Report | Hotel, Shops & Office Space Valuation | | | | |
|  | Report Type | Plain Asset Valuation | | | | |
|  | Date of Inspection of the Property | 19 October 2022 | | | | |
|  | Date of Valuation Assessment | 1 November 2022 | | | | |
|  | Date of Valuation Report | 1 November 2022 | | | | |
|  | Surveyed in presence of | Company's Representative | | Mr. Sanjeev Malik  🕿-+91 81782 11302 | | |
|  | Purpose of the Valuation | For Distress Sale of mortgaged assets under NPA a/c | | | | |
|  | Scope of the Report | Estimation of Enterprise Value of the Hotel property through Discounted Cash Flow Model | | | | |
|  | Out-of-Scope of Report | 1. Verification of authenticity of documents from originals or cross checking from any Govt. deptt. is not done at our end. 2. Legal aspects of the property are out-of-scope of this report. 3. Identification of the property is only limited to cross verification from its boundaries at site if mentioned in the provided documents. 4. Getting cizra map or coordination with revenue officers for site identification is not done at our end. 5. Measurement is only limited upto sample random measurement. 6. Measurement of the property as a whole is not done at our end. 7. Drawing Map & design of the property is out of scope of the work. | | | | |
|  | Documents provided for perusal | **Documents Requested** | | **Documents Provided** | | **Documents Reference No.** |
| Total **05** Documents requested. | | Total **05** Documents provided. | | **05** |
| Property Title document | | Lease Deed & Conveyance Deed | | Dated 02/07/1982 & 08/02/2007 |
| Approved Map | | Approved Map | | Dated 20/09/2013 |
| Fire NoC | | Fire NoC | | Dated 13/03/2020 |
| Latest Balance Sheet | | Balance Sheet FY2020-21 | | Dated 16/11/2021 |
| Certificate of Incorporation | | Name Change Certificate | | 16/02/2010 |
| Classification Certificate | | 5 Star: Certificate | | 10/03/2021 |
|  | Identification of the property | ☒ | Cross-checked from boundaries of the property or address mentioned in the deed | | | |
| ☒ | Done from the nameplate displayed on the property | | | |
| ☒ | Identified by the Owner's representative | | | |
| ☐ | Enquired from local residents/ public | | | |
| ☐ | Identification of the property could not be done properly | | | |
| ☐ | The Survey was not done | |  | |

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|  | **VALUATION SUMMARY** | |
|  | Total Prospective Fair Market Value | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Scenario** | **Discount**  **Rate** | **NPV**  **(in ₹ Cr.)** | **Realizable Value** | **Distress Value** | | 1 | 9.18% | 1259.65 | 1,070.70 | 944.74 | | **2** | **9.68%** | **1172.09** | **996.27** | **879.07** | | 3 | 10.18% | 1095.30 | 931.00 | 821.47 | |
|  | Total Expected Realizable/ Fetch Value |
|  | Total Expected Distress/ Forced Sale Value |

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|  | **ENCLOSURES** | |
|  | **Part A** | **Snapshot of the asset/ property under valuation** |
|  | **Part B** | **Summary of the valuation report** |
|  | **Part C** | **Characteristics description of the asset** |
|  | **Part D** | **Area description of the property/project** |
|  | **Part E** | **Procedure of Valuation Assessments** |
|  | Enclosure 1 | Google Maps |
|  | Enclosure 2 | Photographs of the property |
|  | Enclosure 3 | Copy of Circle Rate |
|  | Enclosure 4 | Important Property Documents Exhibit |
|  | Enclosure 5 | Valuer’s Important Remarks |

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| **PART C** | **CHARACTERISTICS DESCRIPTION OF THE ASSET** |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **BRIEF DESCRIPTION OF THE PROPERTY UNDER VALUATION** | | | | | | | | | | | | | |
|  | This valuation report is prepared for the 5-star operational hotel and commercial real estate developed on the aforesaid address having total land area admeasuring 20,000 sq. mtr.  The subject land was allotted to Asian Hotels Limited for the period of 99 from Delhi Development Authority on 02nd July 1982 which was converted to conveyance deed on 08th February 2007.  As per the scope of the assignment, this is only a Fair Market Value through Income approach and Discounted Cash flow model method. This valuation doesn’t include Fixed asset approach by calculating land and building separately. Only the real estate portion of service apartments is taken based on its capital value.  The property “Hyatt Regency”, Delhi is situated in the posh commercial hub of South district of New Delhi area and is strategically located within 20 minutes’ drive of Indira Gandhi International and Domestic Airport.  This seven floor 5-star hotel comprises of 507 rooms on distributed in 2 categories (i.e., Twin Room & King Room). Hotel comprises of 3 restaurants bearing name The China Kitchen – the authentic Chinese Restaurant, La Piazza for traditional Italian, TK’s Oriental Grill serving Far East Oriental Cuisine, Polo Lounge – the traditional lounge bar, and Sidewalk, the Pastry and Confectionary Store. All restaurants and bar shows ~4.3 rating on public domain which implies that restaurants offer high end service and generates good foot fall. Hotel is equipped with all modern amenities. All seven floors offer a panoramic view of the city and the landscaped gardens.  The hotel offers a host of leisure facilities on the premises including spa, a unisex salon, fitness center and an outdoor swimming pool. Alongside, the hotel offers more than 2,955 sq. mt. or 32,050 sq. ft. of meeting space with a combination of function, form and technology to suit every business or social event requirements. As per discussion with the client the hotel has tie-up with airlines which generate fixed revenue for the hotel. Although the average per room rent in case of airline is subsidized. This hotel is used for several large-scale conferences and business meetings. On the day of the survey itself high level conference of Interpol was organized in the hotel.   |  |  | | --- | --- | | **Snapshot of the Hotel** | | | Offering | Hyatt Regency Delhi | | Location | Bhikaji Cama Place | | Land Tenure | Freehold | | Land Area | 20,000 Sq Mts | | Built-Up Area | 6,05,800 sq. ft. | | FAR | 2.25 (can be extended to 3.75) | | Year Built | 1982 | | Ownership | Asian Hotels (North) Limited | | The Property | Integrates complex with Hotel, Commercial Tower (sold) and Serviced Apartments (available on long term lease) | | Configuration | Hotel Building: 2B+G+9 (Hotel)  Block-A: 2B+G+14 (Commercial Tower)  Block-B: 2B+G+9 (Hotel)  Block-C: 2B+G+1 (Ballroom)  Block-D: 2B+G+1 (Parking Area) | | Description | * 507 Guestrooms * Serviced Apartments available on long term lease * 6 World Class Restaurants & Bars * ~50,000 sq. ft. of meeting space * ~20,000 sq. ft. of spa and fitness center * Outdoor Swimming Pool * Commercial Tower (additional commercial office and serviced apartment area available) | | Management | Managed by Hyatt Hotels Corporation under its brand Hyatt Regency Management contract till 2028 | | Growth Avenues | Additional FSI for expansion of a 100+ room hotel + new restaurant and banqueting facilities along with additional area for commercial | | Certifications | LEED Platinum Certification by GBCI |   In December 2022, India will assume the presidency of G20 Sherpa for a year and all-round the year several international level conferences are going to be held in Delhi and around the country. Due to its strategic location, this hotel will remain in good demand.  Current condition of the hotel is average and requires some structural maintenance and renovation of basement, restaurants, rooms, etc. During our visit some structural issues were seen in the basement and the beams were supported by iron columns temporarily to provide additional support to the cracked RCC column. Out of 507 rooms, only 480 rooms were functional and rest of the rooms are closed and can’t be used due to poor condition and requires maintenance. Accordingly, as per discussion with the hotel officials roughly around Rs.148.8 cr. of capex is estimated.  Hotel premises also includes Shopping Complex area on ground floor having approx. area admeasuring 40,000 sq.ft. However, the same is currently sealed by the order of Honorable Supreme Court because of the ongoing litigation between Asian Hotels (North) Limited and multiple other parties.  This property also includes real estate Service Apartment tower having 12 floors. Tower-A in the premises is used as office space & service apartments. As per details shared by the management area details of Tower-B & shopping arcade is tabulated below: -   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **S. No.** | **Particulars** | **Total Saleable area**  **(In sqft)** | **Area already sold**  **(In sqft)** | **Area to be sold**  **(In sqft)** | | 1 | Office space | 38,826 | 14,053 | 24,773 | | 2 | Service apartment | 27,112 | 10,762 | 16,350 | | 3 | Shopping Arcade | 40,000 | - | 40,000 | | **Total** | | **1,05,938** | **24,815** | **81,123** |   This report only contains general assessment & opinion on the Guideline Value and the indicative, estimated Market Value of the property of which Bank/ customer asked us to conduct the Valuation for the property found on as-is-where basis as shown on the site by the Bank/ customer of which photographs is also attached with the report. No legal aspects in terms of ownership or any other legal aspect is taken into consideration. Even if any such information is mentioned in the report it is only referred from the information provided for which we do not assume any responsibility. Due care has been given while doing valuation assessment, but it doesn’t contain any due-diligence or audit or verification of any kind other than the valuation computation of the property shown to us on site. Information/ data/ documents given to us by Bank/ client have been relied upon in good faith. This report doesn’t contain any other recommendations of any sort.  In case of discrepancy in the address/ property number mentioned in the property documents and the property shown to us at the site due to change in zoning or administrative level at the site or the client misled the valuer by providing the fabricated/ incorrect document or information, the valuation should be considered of the property shown to us at the site by the client of which the photographs are also attached. In case of any doubt, best would be to contact the concerned authority/ district administration/ tehsil level for the identification of the property if the property depicted in the photographs in this report is same with the documents pledged. | | | | | | | | | | | | | |
|  | **GENERAL DESCRIPTION OF THE PROPERTY** | | | | | | | | | | | | | |
|  | Names of the Legal Owner/s | | | | | M/s Asian Hotels (North) Limited | | | | | | | | |
|  | Constitution of the Property | | | | | Free hold, complete transferable rights | | | | | | | | |
|  | Since how long have owners owing the Property | | | | | Since the beginning | | | | | | | | |
|  | Year of Acquisition/ Purchase | | | | | 1982 | | | | | | | | |
|  | Property presently occupied/ possessed by | | | | | Legal Owner | | | | | | | | |
|  | **LOCATION CHARACTERISTICS OF THE PROPERTY** | | | | | | | | | | | | | |
|  | Nearby Landmark | | | | Bhikaji Kama Metro Station | | | | | | | | | |
|  | Postal Address of the Property | | | | Bhikaiji Cama Place, M. G. Marg, New Delhi – 110066 | | | | | | | | | |
|  | Independent access/ approach to the property | | | | Clear independent access is available | | | | | | | | | |
|  | Google Map Location of the Property with a neighborhood layout map | | | | Enclosed with the Report | | | | | | | | | |
| Coordinates or URL: 28°34'09.4"N 77°11'06.7"E | | | | | | | | | |
|  | Description of adjoining property | | | | Commercial | | | | | | | | | |
|  | Plot No./ Survey No. | | | | --- | | | | | | | | | |
|  | Village/ Zone | | | | Bhikaiji Cama Place | | | | | | | | | |
|  | Sub registrar | | | | Delhi | | | | | | | | | |
|  | District | | | | Delhi | | | | | | | | | |
|  | City Categorization | | | | Metro City | | | | | | Urban | | | |
|  | Characteristics of the locality | | | | Very Good | | | | | | Within main city | | | |
|  | Property location classification | | | | On Wide Road | | | | | Near to Metro Station | | | | None |
|  | Property Facing | | | | North Facing | | | | | | | | | |
|  | **Details of the roads abutting the property** | | | | | | | | | | | | | |
| 1. Main Road Name & Width | | | | MG Road | | | | | | | 90 ft. | | |
| 1. Front Road Name & width | | | | MG Road | | | | | | | 90 ft. | | |
| 1. Type of Approach Road | | | | Bituminous Road | | | | | | | | | |
| 1. Distance from the Main Road | | | | On main road | | | | | | | | | |
|  | Is property clearly demarcated by permanent/ temporary boundary on site | | | | Yes | | | | | | | | | |
|  | Is the property merged or colluded with any other property | | | | No, it is an independent single bounded property | | | | | | | | | |
|  | **Boundaries schedule of the Property** | | | | | | | | | | | | | |
|  | Are Boundaries matched | | | | Yes from the available documents | | | | | | | | | |
|  | **Directions** | | **As per Sale Deed/TIR** | | | | | | **Actual found at Site** | | | | | |
| East | | Service Road | | | | | | Service Road | | | | | |
| West | | Vivekanand Marg | | | | | | Vivekanand Marg | | | | | |
| North | | Ring Road | | | | | | MG Road | | | | | |
| South | | Service Road | | | | | | Service Road | | | | | |
|  | **TOWN PLANNING/ ZONING PARAMETERS** | | | | | | | | | | | | | |
|  | Planning Area/ Zone | | | | | | South Delhi Municipal Corporation | | | | | | | |
|  | Master Plan currently in force | | | | | | Delhi Master Plan 2041 | | | | | | | |
|  | Municipal limits | | | | | | South Delhi Municipal Corporation | | | | | | | |
|  | Developmental controls/ Authority | | | | | | MCD South Zone, New Delhi | | | | | | | |
|  | Zoning regulations | | | | | | Mixed (Residential cum Commercial) | | | | | | | |
|  | Master Plan provisions related to property in terms of Land use | | | | | | Commercial | | | | | | | |
|  | Any conversion of land use done | | | | | | NA | | | | | | | |
|  | Current activity done in the property | | | | | | Hotel Complex along with Shops & Office Spaces | | | | | | | |
|  | Is property usage as per applicable zoning | | | | | | Yes | | | | | | | |
|  | Any notification on change of zoning regulation | | | | | | NA | | | | | | | |
|  | Street Notification | | | | | | Not notified | | | | | | | |
|  | Status of Completion/ Occupational certificate | | | | | | Obtained | | | | | | | |
|  | Comment on unauthorized construction if any | | | | | | None | | | | | | | |
|  | Comment on Transferability of developmental rights | | | | | | Complete transferability right. However, lawyer to advice. | | | | | | | |
|  | Comment on the surrounding land uses & adjoining properties in terms of uses | | | | | | The surrounding properties are currently being used for both commercial and residential purpose. | | | | | | | |
|  | Comment of Demolition proceedings if any | | | | | | No | | | | | | | |
|  | Comment on Compounding/ Regularization proceedings | | | | | | No | | | | | | | |
|  | Any information on encroachment | | | | | | No | | | | | | | |
|  | Is the area part of unauthorized area/ colony | | | | | | No (As per general information available) | | | | | | | |
|  | **SOCIO - CULTURAL ASPECTS OF THE PROPERTY** | | | | | | | | | | | | | |
|  | Descriptive account of the location of the property in terms of social structure of the area in terms of population, social stratification, regional origin, age groups, economic levels, location of slums/squatter settlements nearby, etc. | | | | | | Commercial area | | | | | | | |
|  | Whether property belongs to social infrastructure like hospital, school, old age homes etc. | | | | | | No | | | | | | | |
|  | **FUNCTIONAL AND UTILITARIAN SERVICES, FACILITIES & AMENITIES** | | | | | | | | | | | | | |
|  | Drainage arrangements | | | | | | Yes | | | | | | | |
|  | Water Treatment Plant | | | | | | Yes | | | | | | | |
|  | Power Supply arrangements | | Permanent | | | | Yes/ As per sanctioned load | | | | | | | |
| Auxiliary | | | | Yes, 2 nos. of DG Set | | | | | | | |
|  | HVAC system | | | | | | Yes | | | | | | | |
|  | Security provisions | | | | | | Yes/ Private security guards | | | | | | | |
|  | Lift/ Elevators | | | | | | Yes, 3 service $ 4 passenger elevator, | | | | | | | |
|  | Compound wall/ Main Gate | | | | | | Yes, about 7 feet | | | | | | | |
|  | Whether gated facility | | | | | | Yes | | | | | | | |
|  | Car parking facilities | | | | | | Yes | | | | | | | |
|  | Ventilation | | | | | | Yes | | | | | | | |
|  | Internal development | | | | | | | | | | | | | |
| Garden/ Park/ Land scraping | Water bodies | | Internal roads | | | | Pavements | | | | | Boundary Wall | |
| Yes | Yes | | NA | | | | Yes | | | | | Yes | |

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|  | **INFRASTRUCTURE AVAILABILITY** | | | | | | | |
|  | Description of Aqua Infrastructure availability in terms of: | | | | | | | |
|  | 1. Water Supply | | | | Yes | | | |
| 1. Sewerage/ sanitation system | | | | Underground | | | |
| 1. Storm water drainage | | | | Yes | | | |
|  | Description of other Physical Infrastructure facilities in terms of: | | | | | | | |
|  | 1. Solid waste management | | | | Yes | | | |
| 1. Electricity | | | | Yes | | | |
| 1. Road and Public Transport connectivity | | | | Yes | | | |
| 1. Availability of other public utilities nearby | | | | Transport, Market, Hospital etc. available in close vicinity | | | |
|  | Proximity & availability of civic amenities & social infrastructure | | | | | | | |
|  | School | Hospital | Market | Bus Stop | | Railway Station | Metro | Airport |
| 01 km | 100 mtr. | 01 km | 50 mtr. | | 03 km | 50 mtr. | 16 km. |
|  | Availability of recreation facilities (parks, open spaces etc.) | | | Yes ample recreational facilities are available in the vicinity. | | | | |

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|  | **MARKETABILITY ASPECTS OF THE PROPERTY:** | | |
|  | Location attribute of the subject property | Very Good | |
|  | Scarcity | It is tough to find similar kind of properties having same features on demand. | |
|  | Market condition related to demand and supply of the kind of the subject property in the area | Due to market conditions demand is low in the market. | |
|  | Any New Development in surrounding area | None | None |
|  | Any negativity/ defect/ disadvantages in the property/ location | Demand is related to the current use of the property only and only limited to the selected type of buyers. | - |
|  | Any other aspect which has relevance on the value or marketability of the property | Good developed commercial area | |

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|  | **ENGINEERING AND TECHNOLOGY ASPECTS OF THE PROPERTY:** | | | |
|  | Type of construction & design | RCC framed pillar beam column structure on RCC slab | | |
|  | Method of construction | Construction done using professional contractor workmanship based on architect plan | | |
|  | Specifications | | | |
| 1. Class of construction | RCC framed pillar beam column structure on RCC slab | | |
| 1. Appearance/ Condition of structures | Internal - Normal | | |
| External - Normal | | |
| 1. Roof | **Floors/ Blocks** | | **Type of Roof** |
| Hotel- 2B+G+9  Commercial Tower- 2B+G+14 | | RCC |
| 1. Floor height | Room Floor Height~ 9ft | | False Wooden Ceiling |
| 1. Type of flooring | Marvel & carpet flooring | | |
| 1. Doors/ Windows | Wooden | | |
| 1. Interior Finishing | Designer false ceiling | | |
| 1. Exterior Finishing | Designer textured walls | | |
| 1. Interior decoration/ Special architectural or decorative feature | Designer textured walls | | |
| 1. Class of electrical fittings | Good/Internal Wiring | | |
| 1. Class of sanitary & water supply fittings | Excellent | | |
|  | Maintenance issues | Building has structural issues in the basement and cracks & water leakage are visible in the basement | | |
|  | Age of building/ Year of construction | 40 years | 1982 | |
|  | Total life of the structure/ Remaining life expected | Total Life: ~70-75 years | Remaining life: ~30-35 years | |
|  | Extent of deterioration in the structure | Any normal depletion in the structure is taken care through regular maintenance | | |
|  | Protection against natural disasters viz. earthquakes etc. | Can't comment due to unavailability of required technical data | | |
|  | Visible damage in the building if any | Yes but not so significantly | | |
|  | System of air conditioning | Fully centrally AC | | |
|  | Provision of firefighting | Fire Hydrant System | | |
|  | Status of Building Plans/ Maps | Building plans are approved by the concerned authority | | |
| 1. Authority approving the plan | MCD South Delhi | | |
| 1. Name of the office of the Authority | MCD South Delhi | | |
| 1. Is Building as per approved Map | Yes appears to be as per sample measurement done. | | |
| 1. Details of alterations/ deviations/ illegal construction/ encroachment noticed in the structure from the original approved plan | ☐ Permissible Alterations | | NA |
| ☐ Not permitted alteration | | NA |
| 1. Is this being regularized | No information provided | | |

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| --- | --- | --- | --- |
|  | **ENVIRONMENTAL FACTORS:** | | |
|  | Use of environment friendly building materials like fly ash brick, other green building techniques if any | No | |
|  | Provision of rainwater harvesting | Yes | |
|  | Use of solar heating and lighting systems, etc. | No | |
|  | Presence of environmental pollution in the vicinity of the property in terms of industries, heavy traffic, etc. if any | Yes, normal air pollution from vehicles | |
|  | **ARCHITECTURAL AND AESTHETIC QUALITY OF THE PROPERTY:** | | |
|  | Descriptive account on whether the building is modern, old fashioned, etc., plain looking or with decorative elements, heritage value if applicable, presence of landscape elements,  etc. | | Simple Looking Structure |

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| **PART D** | **AREA DESCRIPTION OF THE PROPERTY** |

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|  | Land Area considered for Valuation | 15,296 sq. mtr. (Hotel Land Share) | |
| Area adopted on the basis of | Property documents and measurement through satellite measurement tools | |
| Remarks & observations, if any | The above-mentioned area is for hotel complex and doesn’t proportionate land area of commercial Block-A | |
|  | Constructed Area considered for Valuation  (As per IS **3861-1966)** | **Built-up Area** | 56,101 sq. mtr. (For Hotel Building) (excluding Block-A FAR+Non FAR area) |
| Area adopted on the basis of | Property documents & site survey both | |
| Remarks & observations, if any | The above-mentioned area is for hotel complex and doesn’t include area of commercial Block-A | |

Area details as per sanction plan no. 57/B/HQ/SDME/2013/D/118/AE-I dated 20-09-2013, are tabulated below:-

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **FAR Area (in SQM)** | | | | | | |
| **Floor** | **Hotel Building** | **Block-A** | **Block-B** | **Block-C** | **Block-D** | **Total** |
| Ground Floor | 5,559.95 | 895.10 | 21.22 | 1,240.86 | - | **7,717.13** |
| Lobby Floor | 5,374.25 | 840.30 | 21.22 | 1,039.68 | - | **7,275.45** |
| Service Floor | - | - | - | - | - | **-** |
| 1st Floor | 3,291.04 | 749.65 |  | - | - | **4,040.69** |
| 2nd Floor | 3,037.04 | 749.65 | 129.62 | - | - | **3,916.31** |
| 3rd Floor | 3,037.04 | 749.65 | 129.62 | - | - | **3,916.31** |
| 4th Floor | 2,783.04 | 749.65 | 129.62 | - | - | **3,662.31** |
| 5th Floor | 2,783.04 | 749.65 | 129.62 | - | - | **3,662.31** |
| 6th Floor | 2,529.04 | 674.63 | 129.62 | - | - | **3,333.29** |
| 7th Floor | 2,529.04 | 761.75 | 129.62 | - | - | **3,420.41** |
| 8th Floor | - | 760.66 | - | - | - | **760.66** |
| 9th Floor | - | 760.66 | - | - | - | **760.66** |
| 10th Floor | - | 760.66 | - | - | - | **760.66** |
| 11th Floor | - | 685.63 | - | - | - | **685.63** |
| 12th Floor | - | 760.66 | - | - | - | **760.66** |
| Upper Basement | - | - | - | 93.27 | - | **93.27** |
| Lower Basement | - | - | - | - | - | **-** |
| **Total** | **30,923.48** | **10,648.30** | **820.16** | **2,373.80** | **-** | **44,765.75** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Non-FAR Area (in SQM)** | | | | | | |
| **Floor** | **Hotel Building** | **Block-A** | **Block-B** | **Block-C** | **Block-D** | **Total** |
| Ground Floor |  |  | 21.22 |  |  | **21.22** |
| Lobby Floor |  |  | 21.22 |  | 449.40 | **470.62** |
| Service Floor | 3,686.13 |  | 42.44 |  |  | **3,728.58** |
| 1st Floor |  |  | 42.44 |  |  | **42.44** |
| 2nd Floor |  |  | 42.44 |  |  | **42.44** |
| 3rd Floor |  |  | 42.44 |  |  | **42.44** |
| 4th Floor |  |  | 42.44 |  |  | **42.44** |
| 5th Floor |  |  | 42.44 |  |  | **42.44** |
| 6th Floor |  | 75.02 | 42.44 |  |  | **117.47** |
| 7th Floor |  |  | 42.44 |  |  | **42.44** |
| 8th Floor |  |  |  |  |  | **-** |
| 9th Floor |  |  |  |  |  | **-** |
| 10th Floor |  |  |  |  |  | **-** |
| 11th Floor |  | 75.02 |  |  |  | **75.02** |
| 12th Floor |  |  |  |  |  | **-** |
| Upper Basement | 11,333.67 | 595.71 |  | 1,037.47 |  | **12,966.85** |
| Lower Basement | 4,057.10 | 1,285.13 |  | 1,037.47 |  | **6,379.70** |
| **Total** | **19,076.91** | **2,030.88** | **381.98** | **2,074.93** | **449.40** | **24,014.11** |

***Note:***

1. *Verification of the area measurement of the property is done based on sample random checking only.*
2. *Area of the large land parcels of more than 2500 sq.mtr or of uneven shape, is taken as per property documents verified with digital survey through google which has been relied upon.*
3. *Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.*

|  |  |
| --- | --- |
| **PART E** | **PROJECT STATUTORY APPROVAL & NOCS DETAILS** |

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **REQUIRED APPROVALS** | **REFERENCE NO./ DATE** | **STATUS** |
|  | 5 Star deluxe Classification | Approval No. 210326CSD980  Date : 10/03/2021 | Obtained |
|  | Fire Safety Certificate | Certificate No. F6/DFS/MS//Hotel/SZ/2020/152  Date : 03/03/2020 | Obtained |
|  | Completion Certificate | No. 101/CC/B/SZ/13/I-29.11.2013  Date : 30-05-2014 | Obtained |
|  | Certificate of Incorporation | Corporate Indentification No. : L55101DL1980PLC011037  Dated : 16-02-2010 | Obtained |
|  | Approved Map | Sanction plan no. 57/B/HQ/SDME/2013/D/118/AE-I  Date : 07/06/2013 | Obtained |

|  |  |
| --- | --- |
| **PART F** | **PROCEDURE OF VALUATION ASSESMENT** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **GENERAL INFORMATION** | | | | |
|  | Important Dates | **Date of Inspection of the Property** | | **Date of Valuation Assessment** | **Date of Valuation Report** |
| 19 October 2022 | | 1 November 2022 | 1 November 2022 |
|  | Client | Bank Of Maharashtra, Zonal Office, Kidwai Nagar, New Delhi | | | |
|  | Intended User | Bank Of Maharashtra, Zonal Office, Kidwai Nagar, New Delhi | | | |
|  | Intended Use | To know the general idea on the market valuation trend of the property as per free market transaction. This report is not intended to cover any other internal mechanism, criteria, and considerations of any organization as per their own need, use & purpose. | | | |
|  | Purpose of Valuation | For Distress Sale of mortgaged assets under NPA a/c | | | |
|  | Scope of the Assessment | Non binding opinion on the assessment of Plain Physical Asset Valuation of the property identified to us by the owner or through his representative. | | | |
|  | Restrictions | This report should not be referred for any other purpose, by any other user and for any other date other then as specified above. | | | |
|  | Manner in which the proper is identified |  | Done from the name plate displayed on the property | | |
|  | Identified by the owner | | |
|  | Identified by the owner’s representative | | |
|  | Enquired from local residents/ public | | |
|  | Cross checked from the boundaries/ address of the property mentioned in the documents provided to us | | |
|  | Identification of the property could not be done properly | | |
|  | Survey was not done | | |
|  | Type of Survey conducted | Full survey (inside-out with approximate sample random measurements verification & photographs). | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **ASSESSMENT FACTORS** | | | | | | | | | | | | |
|  | Nature of the Valuation | Business Valuation | | | | | | | | | | | |
|  | Nature/ Category/ Type/ Classification of Asset under Valuation | **Nature** | | | | | **Category** | | | | | **Type** | |
| Commercial Hotel Complex | | | | | Commercial | | | | | Hotel, Shops & Offices | |
| **Classification** | | | | | Only business use asset | | | | | | |
|  | Type of Valuation *(Basis of Valuation as per IVS)* | Primary Basis | | | | Fair Value & Distress Value | | | | | | | |
| Secondary Basis | | | | On-going concern basis | | | | | | | |
|  | Present market state of the Asset assumed *(Premise of Value as per IVS)* | Under Normal Marketable State | | | | | | | | | | | |
| **Reason:** Asset under Banking Resolution Process | | | | | | | | | | | |
|  | Property Use factor | **Current/ Existing Use** | | | | | | **Highest & Best Use**  *(in consonance to surrounding use, zoning and statutory norms)* | | | | **Considered for Valuation purpose** | |
| Commercial | | | | | | Commercial | | | | Commercial | |
|  | Legality Aspect Factor | Assumed to be fine as per copy of the documents & information produced to us. except Shopping Complex area of ground floor which is currently sealed by the order of Honorable Supreme Court because of the ongoing litigation.  However Legal aspects of the property of any nature are out-of-scope of the Valuation Services. In terms of the legality, we have only gone by the documents provided to us in good faith.  Verification of authenticity of documents from originals or cross checking from any Govt. dept. must be taken care by Legal expert/ Advocate. | | | | | | | | | | | |
|  | Land Physical Factors | **Shape** | | | | | | | **Size** | | **Layout** | | |
| Irregular | | | | | | | Large | | Normal | | |
|  | Property Location Category Factor | **City Categorization** | | | **Locality Characteristics** | | | | | | **Property location characteristics** | | **Floor Level** |
| Metro City | | | Very Good | | | | | | Road Facing | | NA |
| Urban developed | | | Within main city | | | | | | On Wide Road | |
| Within main city | | | | | | Not Applicable | |
| **Property Facing** | | | | | | | | | | | |
| North Facing | | | | | | | | | | | |
|  | Physical Infrastructure availability factors of the locality | **Water Supply** | | | **Sewerage/ sanitation system** | | | | | | **Electricity** | | **Road and Public Transport connectivity** |
| Yes | | | Underground | | | | | | Yes | | Easily available |
| **Availability of other public utilities nearby** | | | | | | | | | **Availability of communication facilities** | | |
| Transport, Market, Hospital etc. are available in close vicinity | | | | | | | | | Major Telecommunication Service Provider & ISP connections are available | | |
|  | Social structure of the area (in terms of population, social stratification, regional origin, age groups, economic levels, location of slums/ squatter settlements nearby, etc.) | Commercial area | | | | | | | | | | | |
|  | Neighbourhood amenities | Good | | | | | | | | | | | |
|  | Any New Development in surrounding area | None | | | | | | | | None | | | |
|  | Any specific advantage/ drawback in the property | None | | | | | | | | | | | |
|  | Property overall usability/ utility Factor | Normal | | | | | | | | | | | |
|  | Do property has any alternate use? | None | | | | | | | | | | | |
|  | Is property clearly demarcated by permanent/ temporary boundary on site | Yes demarcated properly | | | | | | | | | | | |
|  | Is the property merged or colluded with any other property | No | | | | | | | | | | | |
| Comments: None. | | | | | | | | | | | |
|  | Is independent access available to the property | Clear independent access is available | | | | | | | | | | | |
|  | Is property clearly possessable upon sale | Yes | | | | | | | | | | | |
|  | Best Sale procedure to realize maximum Value *(in respect to Present market state or premise of the Asset as per point (iv) above)* | **Fair Market Value** | | | | | | | | | | | |
| Free market transaction at arm's length wherein the parties, after full market survey each acted knowledgeably, prudently and without any compulsion. | | | | | | | | | | | |
|  | Hypothetical Sale transaction method assumed for the computation of valuation | **Fair Market Value** | | | | | | | | | | | |
| Free market transaction at arm's length wherein the parties, after full market survey each acted knowledgeably, prudently and without any compulsion. | | | | | | | | | | | |
|  | Approach & Method of Valuation Used | **Hotel** | | **Approach of Valuation** | | | | | | | **Method of Valuation** | | |
| Income Approach | | | | | | | Discounted Cash Flow Method | | |
|  | Type of Source of Information | Level 3 Input (Tertiary) | | | | | | | | | | | |
|  | **Market Comparable** |  | | | | | | | | | | | |
| References on prevailing market Rate/ Price trend of the property and Details of the sources from where the information is gathered *(from property search sites & local information)* | 1 | Name: | | | | | | | | NA | | |
| Contact No.: | | | | | | | | NA | | |
| Nature of reference: | | | | | | | | NA | | |
| Size of the Property: | | | | | | | | NA | | |
| Location: | | | | | | | | NA | | |
| Rates/ Price informed: | | | | | | | | NA | | |
| Any other details/ Discussion held: | | | | | | | | NA | | |
| 2 | Name: | | | | | | | | NA | | |
| Contact No.: | | | | | | | | NA | | |
| Nature of reference: | | | | | | | | NA | | |
| Size of the Property: | | | | | | | | NA | | |
| Location: | | | | | | | | NA | | |
| Rates/ Price informed: | | | | | | | | NA | | |
| Any other details/ Discussion held: | | | | | | | | NA | | |
|  | Adopted Rates Justification | | NA | | | | | | | |  | | |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Other Market Factors** | | |
| Current Market condition | Normal | |
| **Remarks:** --- | |
| **Adjustments (-/+):** 0% | |
| Comment on Property Salability Outlook | Sellability of this property is related to its current use only and therefore limited only to the selected type of buyers involved in such kind of activities. | |
| **Adjustments (-/+):** 0% | |
| Comment on Demand & Supply in the Market | **Demand** | **Supply** |
| Good | Moderate |
| **Remarks:** Good demand of such properties in the market | |
| **Adjustments (-/+):** 0% | |
|  | Any other special consideration | **Reason: ----** | |
| **Adjustments (-/+):** 0% | |
|  | Any other aspect which has relevance on the value or marketability of the property | Property is located in posh high class area  Valuation of the same asset/ property can fetch different values under different circumstances & situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will fetch considerably lower value. Similarly, an asset sold directly by an owner in the open market through free market arm’s length transaction then it will fetch better value and if the same asset/ property is sold by any financer or court decree or Govt. enforcement agency due to any kind of encumbrance on it then it will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing.  This Valuation report is prepared based on the facts of the property & market situation on the date of the survey. It is a well-known fact that the market value of any asset varies with time & socio-economic conditions prevailing in the region/ country. In future property market may go down, property conditions may change or may go worse, property reputation may differ, property vicinity conditions may go down or become worse, property market may change due to impact of Govt. policies or effect of domestic/ world economy, usability prospects of the property may change, etc. Hence before financing, Banker/ FI should take into consideration all such future risk while financing. | |
| **Adjustments (-/+):** 0% | |
|  | **Final adjusted & weighted Rates considered for the subject property** | **NA** | |
|  | Considered Rates Justification | As per the thorough property & market factors analysis as described above, the considered estimated market rates appears to be reasonable in our opinion. | |
|  | **Basis of computation & working** | | |
| * *This Valuation is assessed based on the Income approach using Discounted Cash Flow method and techniques based on its revenue potential.* * *Projections are made for next 07 years up to year 2029. Projections are made extrapolating the historical revenues for future years and using scientific growth rate in future as described in assumptions below.* * *This valuation doesn’t include fixed asset approach by calculating land and building separately. Only the real estate portion of service apartments is taken based on its capital value.* * *Further working and computation based on DCF is enumerated after table below.* * *Valuation of Fixed Assets may have completely different values from DCF Valuation.* * *No additional discount is considered for litigation in Shopping Complex area which is currently in court, sealed by the order of Honorable Supreme Court.* * *Valuation of the asset is done as found on as-is-where basis on the site as identified to us by client/ owner/ owner representative during site inspection by our engineer/s unless otherwise mentioned in the report.* * *Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values.* * *For knowing comparable market rates, significant discreet local enquiries have been made from our side based on the hypothetical/ virtual representation of ourselves as both buyer and seller for the similar type of properties in the subject location and thereafter based on this information and various factors of the property, rate has been judiciously taken considering the factors of the subject property, market scenario and weighted adjusted comparison with the comparable properties unless otherwise stated.* * *References regarding the prevailing market rates and comparable are based on the verbal/ informal/ secondary/ tertiary information which are collected by our team from the local people/ property consultants/ recent deals/ demand-supply/ internet postings are relied upon as may be available or can be fetched within the limited time & resources of the assignment during market survey in the subject location. No written record is generally available for such market information and analysis has to be derived mostly based on the verbal information which has to be relied upon.* * *Market Rates are rationally adopted based on the facts of the property which came to our knowledge during the course of the assessment considering many factors like nature of the property, size, location, approach, market situation and trends and comparative analysis with the similar assets. During comparative analysis, valuation metrics is prepared and necessary adjustments are made on the subject asset.* * *The indicative value has been suggested based on the prevailing market rates that came to our knowledge during secondary & tertiary market research and is not split into formal & informal payment arrangements. Most of the deals takes place which includes both formal & informal payment components. Deals which take place in complete formal payment component may realize relatively less actual transaction value due to inherent added tax, stamp registration liabilities on the buyer.* * *Secondary/ Tertiary costs related to asset transaction like Stamp Duty, Registration charges, Brokerage, Commission, Bank interest, selling cost, Marketing cost, etc. pertaining to the sale/ purchase of this property are not considered while assessing the indicative estimated Market Value.* * *This report includes both, Govt. Guideline Value and Indicative Estimated Prospective Market Value as described above. As per the current market practice, in most of the cases, formal transaction takes place for an amount less than the actual transaction amount and rest of the payment is normally done informally.* * *Area measurements considered in the Valuation Report pertaining to asset/ property is adopted from relevant approved documents or sample site measurement whichever is less unless otherwise mentioned. All area measurements are on approximate basis only.* * *Verification of the area measurement of the property is done based on sample random checking only.* * *Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated.* * *Drawing, Map, design & detailed estimation of the property/ building is out of scope of the Valuation services.* * *Construction rates are adopted based on the present market replacement cost of construction and calculating applicable depreciation & deterioration factor as per its age, existing condition & specifications based on visual observation only of the structure. No structural, physical tests have been carried out in respect of it. No responsibility is assumed for latent defects of any nature whatsoever, which may affect value, or for any expertise required to disclose such conditions.* * *Construction rates are adopted based on the plinth area rates prevailing in the market for the structure as a whole and not based on item wise estimation or Bills of Quantity method unless otherwise stated.* * *The condition assessment and the estimation of the residual economic life of the structure are only based on the visual observations and appearance found during the site survey. We have not carried out any structural design or stability study; nor carried out any physical tests to assess structural integrity & strength.* * *Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset or on its owners has not been factored in the Valuation.* * *This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component or item wise analysis. Analysis done is a general assessment and is neither investigative in nature nor an audit activity.* * *Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown to us on site of which some reference has been taken from the information/ data given in the copy of documents provided to us which have been relied upon in good faith and we have assumed that it to be true and correct.* | | |
|  | **ASSUMPTIONS** | | |
| 1. *Documents/ Information/ Data provided by the client/ property owner or his representative both written & verbally is true and correct without any fabrication and has been relied upon in good faith.* 2. *Local verbal enquiries during micro market research came to our knowledge are assumed to be taken on record as true & factual.* 3. *The assets and interests therein have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject assets or their ownership are assumed to exist. No opinion of title is rendered in this report and a good title is assumed unless stated otherwise.* 4. *It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.* 5. *Payment condition during transaction in the Valuation has been considered on all cash bases which includes both formal & informal payment components as per market trend.* 6. *Sale transaction method of the asset is assumed as Free market transaction without any compulsion unless otherwise mentioned while assessing Indicative & Estimated Fair Prospective Market Value of the asset unless otherwise stated.* 7. *If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report. This valuation report is prepared for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township is approved and complied with all relevant laws and the subject unit is also approved within the Group Housing Society/ Township.* | | |
|  | **SPECIAL ASSUMPTIONS** | | |
| Please see Notes on assumptions below. | | |
|  | **LIMITATIONS** | | |
| None | | |

**Notes for special assumptions:**

**General:**

* We have considered revenue and cost-based model while making the future financial projections.
* The projections are forecasted for 07 years i.e., up to FY 2028-29 (as per documents provided by the client/company).
* As per information provided by the company/client, the major source of revenue is from Rooms, Restaurant & Bar. In addition to that capital value is also added for the remaining unsold inventory in service apartments and shown to be sold in 3 years. Capital value is arrived using current market sale rates of the unit in that location. As per our market research and information available in public domain, the average current market rate for Tower-B and Shopping Arcade is mentioned below: -

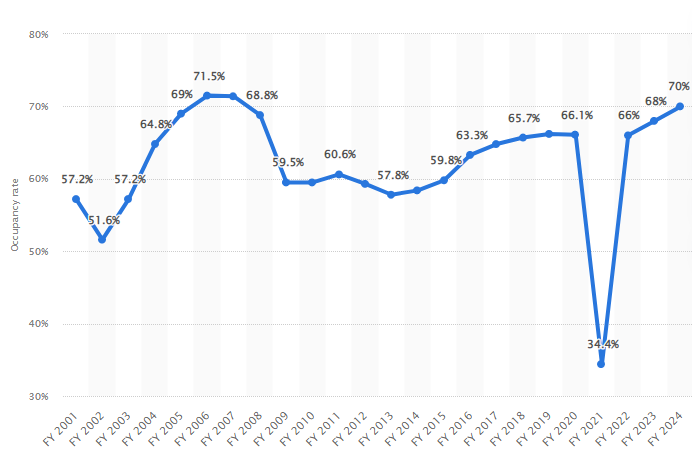
|  |  |
| --- | --- |
| **Particulars** | **Market Rate**  **(Rs. / sq. Ft.)** |
| Office Space | 37,000 |
| Service Apartment | 33,000 |
| Shopping Arcade | 40,000 |

**Revenue:**

* The Company achieved aggregate revenue of Rs. 130.52 crore from operations for the year ended 31st March, 2022. The said revenue in the prior year was Rs. 72.58 crore. Key financial ratios for the year under review vis-à-vis prior year are as under:

|  |  |  |
| --- | --- | --- |
| **Key Financial Ratio** | **FY 2021-22** | **FY 2020-21** |
| Operating Profit Margin (%) | 4.60 | (27.52) |
| Net Profit Margin (%) | (92.72) | (933.70) |
| Debtors Turnover | 10.64 | 5.50 |
| Inventory Turnover | 23.31 | 9.22 |
| Current Ratio | 0.07 | 0.08 |
| Debt Equity Ratio | 4.32 | 2.58 |
| Interest Coverage Ratio | (0.14) | (0.38) |
| Return on Net Worth (%) | (50.50) | (187.10) |

* All the ratio has become more favorable in the financial year 2021-22 as compared to previous financial year 2020-21, as there is improvement in the business due to reduced impact of COVID-19 related restrictions.
* As per data available on public domain, the occupancy rate in hotels in India from financial year 2001 to 2021, with estimates until 2024 are shown below: -



* As per historical analysis, the occupancy rate for Hyatt Regency Delhi is 62.50% in FY 2022-23 and market is becoming more favorable for hospitality industry. Thus, we have considered, the occupancy rate as 70% of total rooms available which is as per industry standards.
* As per historical trend and industrial CAGR, we have considered the escalation rate for Average Room Rent (ARR) as per the table mentioned below: -

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| **Growth Rate (%)** | 15% | 10% | 10% | 5% | 5% | 2% |

* Above table seems to be fair and reasonable considering the appropriate economic factors. Since, the micro and macro-economic factors are favorable for the project and post COVID-19 situations the tourism industry has seen a boost in its economy.
* The growth rate for Income such F&B Income, corporate income & other income are considered as per the historical data shared by the management.
* During the estimated period, we have not considered the impact of disputed portion (Commercial real estate) while calculating the operating and other income.
* **Expenses:** As per information available in audited financial statements, major expenses include Room Cost, F&B Cost, Overhead Cost, Other Operating & General Expenses. The organized hotel sector is also faced with challenges from the growing room supply and customer preference for serviced apartments for short- or long-term stays, which offer larger rooms and more space with all the amenities of a high-end hotel at a significantly lower price. Here escalation rate for all these expenses based on the previous year average with respect to revenue growth rate for those years, which is found as per industry trends.
* **Depreciation:** We have used Straight Line Method to calculate deprecation. The depreciation rate for Building, P&M, F&F and Vehicles are 1.6%, 5.9%, 8.5% and 10.1% respectively.
* **Capital Expenditure:** As per third party report dated 15th September 2022 shared by the management, the Capex to be incurred is Rs. 215.83/- Cr. However as per data shared by the company, they have capitalized on Rs. 148.80/- Cr. In their projection against renovation & refurbishment for the hotel. The total built-up area of the hotel is about 5,38,204 sqft (FAR+ Non-FAR Area). Thus, the average cost to be incurred at hotel premises is about Rs. 2,765/- per sqft, which seems to be fair & reasonable. Thus, the same is considered for valuation purpose.
* **Taxation:**Corporate tax rate is considered as 29.12% as per industry standards.
* **Weights of Debt & Equity:**Weights of Debt and Equity are assumed at 71.40% and 28.60% respectively. As the information provided by the company, for the consideration of weight of debt, we only considered senior debt of Rs. 872.60/- Cr. and for weight of equity, we considered Rs. 349.40 Cr. (i.e., sum of share capital and share premium).
* **Beta:**To calculate the beta of M/s Asian Hotels (North) Limited, we have considered 3 years average Beta i.e. 0.73.
* **Cost of Equity:**The Cost of Equity for AHNL is assumed to be 11.49% using CAPM Model and Beta of 0.73 Expected Market Return (Rm) is taken as Nifty-50 15- year return 2022, which is 11.0%. Risk-free Rate (Rf) is taken as 10-year govt. bond yield, which is 7.28%.

| **Cost of Equity** | |
| --- | --- |
| **Risk Free Rate (Rf)** | 7.28% |
| **Expected Market Return (Rm) Nifty Fifty 15-year return 2022** | 11.0% |
| **Beta (B)** | 0.73 |
| **Cost of Equity (Ke)** | 10.00% |

* **Cost of Debt:**As per information shared by the bank, the cost of debt of consortium bank is 12%. Likewise, post-tax cost of debt is calculated at 8.51%.

|  |  |
| --- | --- |
| **Cost of Debt** | |
| **Cost of Debt (Kd)** | 12.00% |
| **Tax Rate (t)** | 29.12% |
| **Post-Tax Cost of Debt (Kd)** | 8.51% |

* **Company Risk Premium:**As the company has been declared NPA and its financial status haven’t been improved because of the COVID-19 pandemic, operations of hotels & restaurants were closed for substantial period. Because of this decline in Room Occupancy level, F&B supportive service income and increase in level of debt due to regular interest application as fixed. We have assumed a company-wide risk premium as 0.75%, correspondingly considering exceptional contingent items and aspects of legal disputes in future.
* **WACC:** WACC is calculated by multiplying the cost of each capital sources (Debt & Equity) by its relevant weight, then adding the product to determine the total. WACC is also used as discount rate for future cash flow in discounted cash flow analysis. Below table shows the calculation of WACC: -

|  |  |  |  |
| --- | --- | --- | --- |
| **Weighted Average Cost of Capital (WACC)** | | | |
| **Particulars** | **Amount** | **Weightage** | **Required Return** |
| Debt | 872.60 | 71.4% | 8.51% |
| Equity Shared Capital | 349.40 | 28.6% | 10.00% |
| **Total** | **1222.00** | **100%** | **8.93%** |
| **Company Risk Premium** | | **0.75%** | |
| **WACC** | | **9.68%** | |

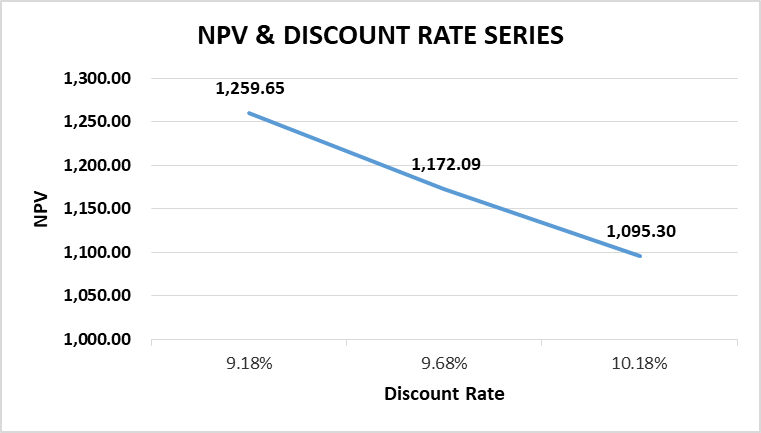
* **Discount Period:** For discount period, we have considered half year convention.
* **Perpetual growth rate:** Growth rate for the terminal period has been considered as 2.00%, as the company is expected to recover from its current stress and then the company is expected to grow. The growth rate is justifiable and on conservative side in comparison with the respective sector and Industry.

**NPV:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2023 E** | **FY 2024 E** | **FY 2025 E** | **FY 2026 E** | **FY 2027 E** | **FY 2028 E** | **FY 2029 E** |
| Net Revenue | 187.25 | 247.81 | 269.31 | 293.91 | 308.56 | 324.82 | 330.39 |
| *% Growth* |  | 32.34% | 8.68% | 9.13% | 4.98% | 5.27% | 1.72% |
| EBITDA | 51.08 | 90.35 | 102.22 | 181.06 | 140.43 | 149.53 | 102.46 |
| *% Sales* | 27% | 36% | 38% | 62% | 46% | 46% | 31% |
| EBIT | 24.14 | 63.42 | 75.83 | 155.23 | 115.63 | 125.21 | 78.79 |
| *% Sales* | 13% | 26% | 28% | 53% | 37% | 39% | 24% |
| Less: Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| NOPAT | 24.14 | 63.42 | 75.83 | 155.23 | 115.63 | 125.21 | 78.79 |
| *% Sales* | 13% | 26% | 28% | 53% | 37% | 39% | 24% |
| Add: Depreciation | 26.94 | 26.94 | 26.38 | 25.83 | 24.80 | 24.31 | 23.67 |
| *% Sales* | 0.14 | 0.11 | 0.10 | 0.09 | 0.08 | 0.07 | 0.07 |
| Less: Change in working capital | 31.40 | 10.38 | 29.00 | 23.75 | 12.92 | 4.79 | (5.98) |
| *% Sales* | 0.17 | 0.04 | 0.11 | 0.08 | 0.04 | 0.01 | -0.02 |
| Less: Capex | 0.00 | 29.76 | 29.76 | 29.76 | 29.76 | 29.76 | 0.00 |
| *% Sales* | 0.00 | 0.12 | 0.11 | 0.10 | 0.10 | 0.09 | 0.00 |
| **Free Cash Flow to the firm (FCFF)** | **19.68** | **50.21** | **43.46** | **127.55** | **97.75** | **114.98** | **108.43** |
| **Discount Rate (WACC)** | **9.68%** |  |  |  |  |  |  |
| **Perpetual Growth Rate** | **2.00%** |  |  |  |  |  |  |
| **Period** | 0.5 | 1.5 | 2.5 | 3.5 | 4.5 | 5.5 | 6.5 |
| **Discount Factor** | 0.95 | 0.87 | 0.79 | 0.72 | 0.66 | 0.60 | 0.55 |
| **Present Value (PV) of FCFF** | 18.79 | 43.71 | 34.49 | 92.30 | 64.50 | 69.16 | 59.47 |
| **Terminal Value (TV)** |  |  |  |  |  |  | 1439.84 |
| **PV of TV** |  |  |  |  |  |  | 789.66 |
| **PV OF FCFF+PV OF TV** | **18.79** | **43.71** | **34.49** | **92.30** | **64.50** | **69.16** | **849.13** |

**Scenarios:**

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Discount**  **Rate** | **NPV**  **(in ₹ Cr.)** |
| 1 | 9.18% | 1259.65 |
| 2 | 9.68% | 1172.09 |
| 3 | 10.18% | 1095.30 |



|  |  |  |
| --- | --- | --- |
|  | **CONSOLIDATED VALUATION ASSESSMENT OF THE ASSET** | |
| **S.No.** | **Particulars** | **Prospective Fair Market Value** |
|  | Net present Value (A) | |  |  |  | | --- | --- | --- | | **Scenario** | **Discount**  **Rate** | **NPV**  **(in ₹ Cr.)** | | 1 | 9.18% | 1259.65 | | 2 | 9.68% | 1172.09 | | 3 | 10.18% | 1095.30 | |
|  | Additional Premium if any | NA |
| Details/ Justification | NA |
|  | Deductions charged if any | NA |
| Details/ Justification | NA |
|  | **Total Indicative & Estimated Prospective** Fair Market Value | NA |
|  | **Rounded Off** | NA |
|  | **Indicative & Estimated Prospective** Fair Market Value in words | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Scenario** | **Discount**  **Rate** | **NPV**  **(in ₹ Cr.)** | **Realizable Value** | **Distress Value** | | 1 | 9.18% | 1259.65 | 1,070.70 | 944.74 | | **2** | **9.68%** | **1172.09** | **996.27** | **879.07** | | 3 | 10.18% | 1095.30 | 931.00 | 821.47 | |
|  | **Expected Realizable Value (@ ~15% less)** |
|  | **Expected Distressed/ forced sale Value (@ ~25% less)** |
|  | **Concluding Comments/ Disclosures if any** | |
| 1. Any kind of unpaid statutory, utilities, lease, interest, contingent liabilities or any other pecuniary dues on the asset has not been factored in this valuation. 2. Secondary/ Tertiary costs related to asset transaction like Stamp Duty, Registration charges, Brokerage, Bank interest etc. pertaining to the sale/ purchase of this property are not considered while assessing the Market Value. 3. As per the scope of the assignment, Value assessment is subject to Assumptions, Remarks & Limiting Conditions mentioned in Point ‘7’ below, R.K Associates Important Notes and Valuer’s Remarks (Enclosure: 1) & other enclosed documents with the Report which will remain part & parcel of the report. Without these enclosures/ documents report shall stand null & void. | |
|  | **IMPORTANT KEY DEFINITIONS** | |
| ***Fair Value*** *suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of the assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm’s length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.*  *Fair Value without using the term “Market” in it describes that the value suggested by the Valuer may not mandatorily follow or may not be in complete consonance to the established Market in his expert opinion. It may or may not follow market dynamics. But if the suggested value by the valuer is not within the prevailing Market range or is assessed for an asset is located in an un-established Market then the valuer will give reasonable justification & reasoning that for what reasons the value suggested by him doesn’t follow the prevailing market dynamics.* | |
| ***Fair Market Value*** *suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice in consonance to the Market dynamics after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm’s length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.*  *Here the words “in consonance to the established Market” means that the Valuer will give opinion within the realms & dynamics of the prevailing market rates after exhaustively doing the micro market research. However due to the element of “Fair” in it, valuer will always look for the factors if the value should be better than the market realms which is just & equitable backed by strong justification and reasoning.* | |
| ***Market Value*** *suggested by the competent Valuer is that prospective estimated amount which is average price of the similar comparable assets prevailing in an open & established market during the near period of the date of valuation at which the subject asset/ property should be exchanged between a willing buyer and willing seller on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities at an arm’s length transaction in an open, established & unrestricted market, in an orderly transaction, wherein the parties, each acted without any compulsion on the date of the Valuation.*  *Using the term “Market Value” without “Fair” omits the elements of proper marketing, acting knowledgeably & prudently.*  *Market and market participants can be sentimental, inclined towards the transaction without the element of complete knowledge & prudence about facts or due diligence of the asset therefore “each acted knowledgeably, prudently” has been removed from the marker Value definition.* | |
| ***Realizable Value*** *is that minimum prospective estimated value of the asset/ property which it may be able to fetch at the time of actual property transaction factoring in the element of discount due to the prospects of deep negotiations between the buyer & seller when the parties in-principally find Fair Market Value reasonable and sits together to close the deal and the transaction across the table. Discount percentage on the Fair Market Value due to negotiation will depend on the nature, size, various salability prospects of the subject asset, the needs of the buyer & the seller and kind of payment terms. In some of the cases Realizable and Fair Market Value may also be equal.* | |
| ***Distress Sale Value\**** *is that value when the property is attached with any process such as mortgaged financing, financial or operational dues which is under any stress condition or situation and the stakeholders are under process of finding resolution towards it to save the property from being attached to a formal recovery process. In this type of sale, minimum fetch value assessed will always be less than the estimated Fair Market Value where the discount of percentage will depend upon various circumstances and factors such as nature, size, salability prospects of the property and kind of encumbrance on the property. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the property will be more on the seller than the buyer.* | |
| ***Liquidation Value*** *is the amount that would be realized when an asset or group of assets are sold due to any compulsion or constraints such as in a recovery process guided by statute, law or legal process, clearance sale or any such condition or situation thereof where the pressure of selling the asset/ property is very high to realize whatever maximum amount can be from the sale of the assets in a limited time for clearance of dues or due to closure of business. In other words, this kind of value is also called as forced sale value.* | |
| ***Difference between Cost, Price & Value:*** *Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also having different definitions in professional & legal terms. Therefore, 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 property/ asset and is a hypothetical or notional price that buyers and sellers are most likely to conclude for a good or service. Value is not a fact, but an estimate of the likely price to be paid for a good or service at a given time in accordance with a particular definition of value.*  *Therefore, in actual for the same asset/ property, cost, price & value remain different since these terms have different usage & meaning.* | |
|  | ***Enclosures with the Report:***   * *Enclosure: I – Google Map Location* * *Enclosure: II – Photographs of the property* * *Enclosure: III – Copy of Circle Rate* * *Enclosure: IV – Important Property Documents Exhibit* * *Enclosure V – Valuer’s Important Remarks* | |

**IMPORTANT NOTES**

***DEFECT LIABILITY PERIOD****- In case of any query/ issue or escalation you may please contact Incident Manager by writing at valuers@rkassociates.org. We try our level best to ensure maximum accuracy in the Calculations done, Rates adopted and various other data points & information mentioned in the report but still can’t rule out typing, human errors, assessment or any other mistakes. In case you find any mistake, variation, discrepancy or inaccuracy in any data point mentioned in the report, please help us by bringing all such points into our notice in writing at valuers@rkassociates.org* *within 30 days of the report delivery, to get these rectified timely, failing which R.K Associates shouldn’t be held responsible for any inaccuracy in any manner. Also, if we do not hear back anything from you within 30 days, we will assume that the report is correct in all respect and no further claim of any sort will be entertained thereafter. We would welcome and appreciate your feedback & suggestions in order to improve our services.*

*Our* ***DATA RETENTION POLICY*** *is of* ***THREE YEARS****. 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.*

***COPYRIGHT FORMAT*** *- This report is prepared on the copyright format of R.K Associates to serve our clients in the best possible way. Legally no one can copy or distribute this format without prior approval from R.K Associates. It is meant only for the organization as mentioned on the cover page of this report. Distribution or use of this format or any content of this report wholly or partially other than R.K Associates will be seen as unlawful act and necessary legal action can be taken against the defaulters.*

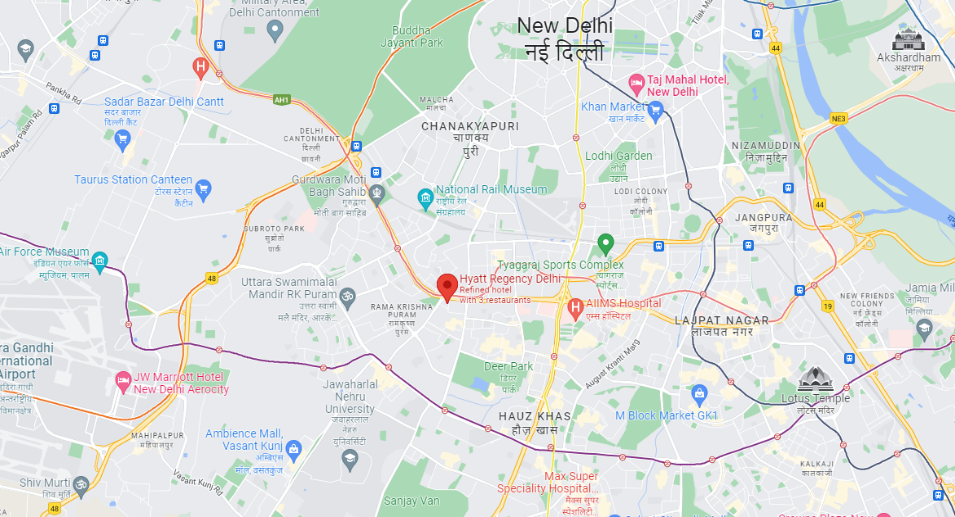
***NOTE:***

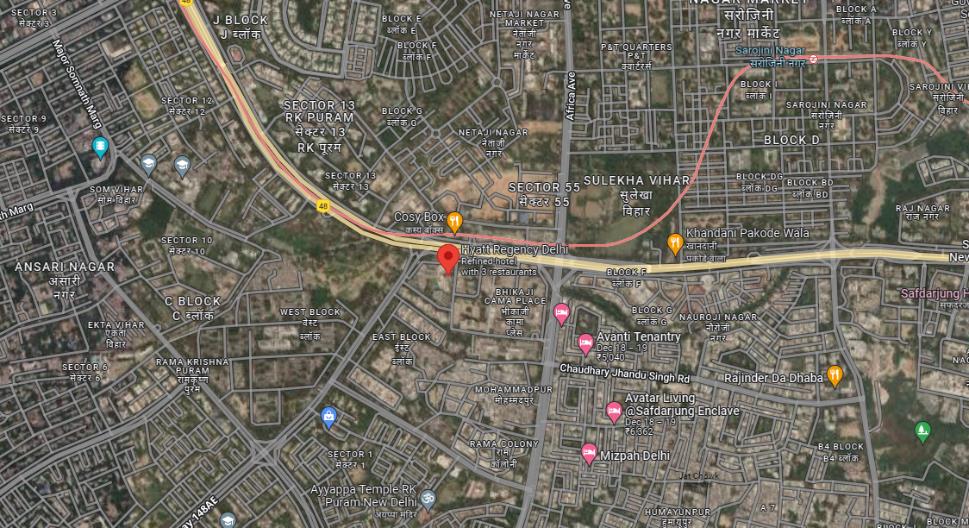
***At our end we have not verified the authenticity of any documents provided to us. IRP/ RP/ Liquidator is advised to verify the genuineness of the property documents before taking any credit decision.***

***Valuation Terms of Services & Valuer’s Important Remarks are available at www.rkassociates.org for reference.***

|  |  |  |
| --- | --- | --- |
| **SURVEY ANALYST** | **VALUATION ENGINEER** | **L1/ L2 REVIEWER** |
| Abhinav Chaturvedi  &  Sachin Pandey | Chhavi Toshan  (Financial & Market Research Analyst)  and  Abhinav Chaturvedi  (Engineer – Valuation) | Gaurav Kumar  (Sr. Financial & Market Research Analyst) |

**ENCLOSURE: I – GOOGLE MAP LOCATION**

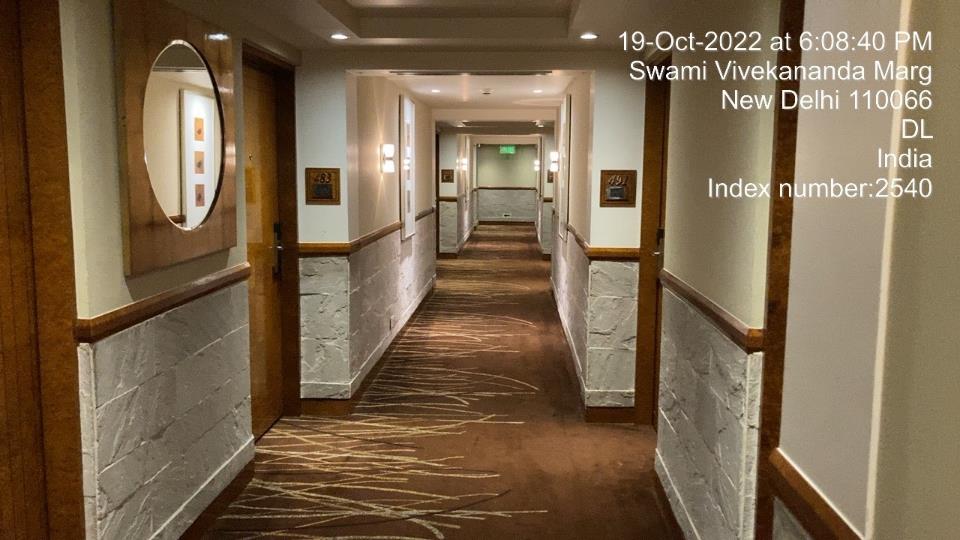




**ENCLOSURE: II – PHOTOGRAPHS OF THE PROPERTY**



**Front View**



**4th Floor Lobby**



**Room**



**Lower Basement**



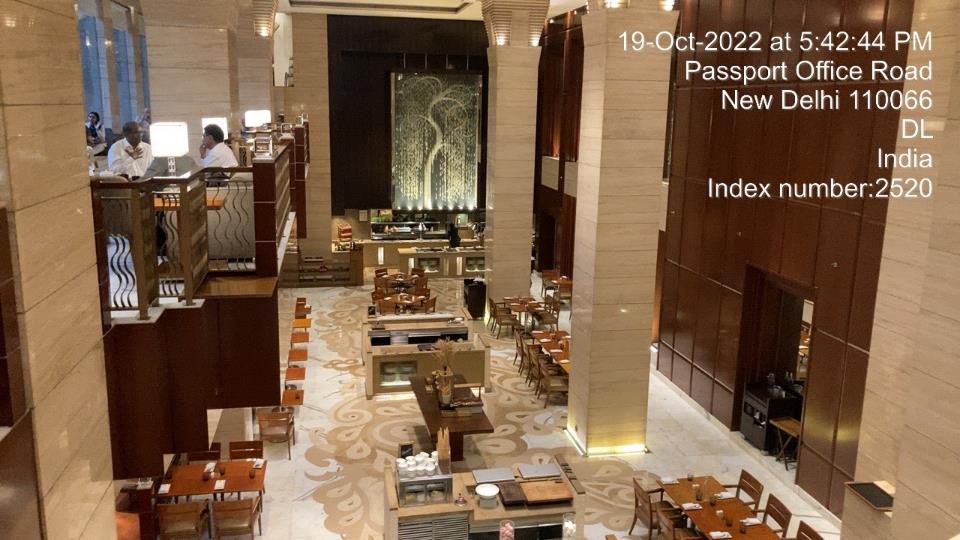
**Upper Basement**



**Tower-B**



**Lobby**



**Restaurant**

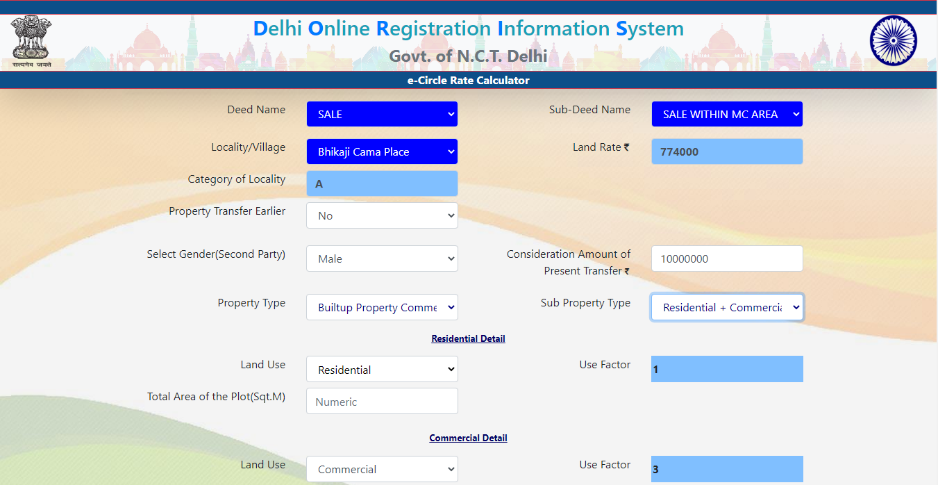


**Passenger Elevators**



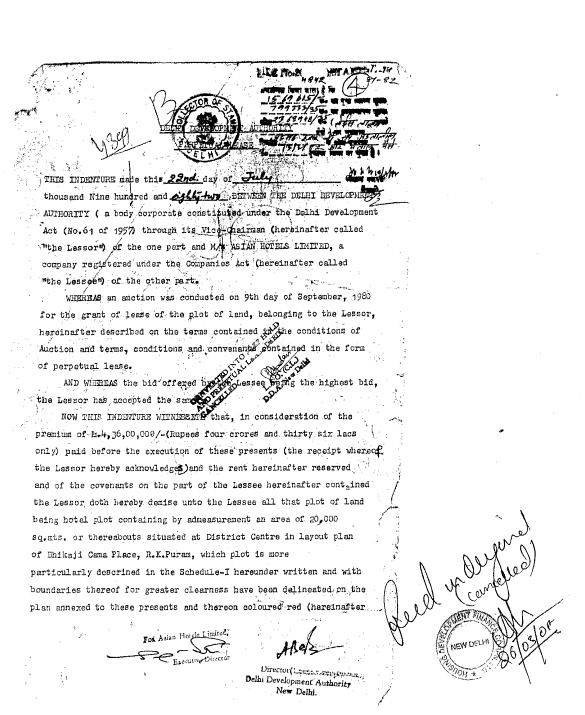
**DG Set**

**ENCLOSURE: III – COPY OF CIRCLE RATE**

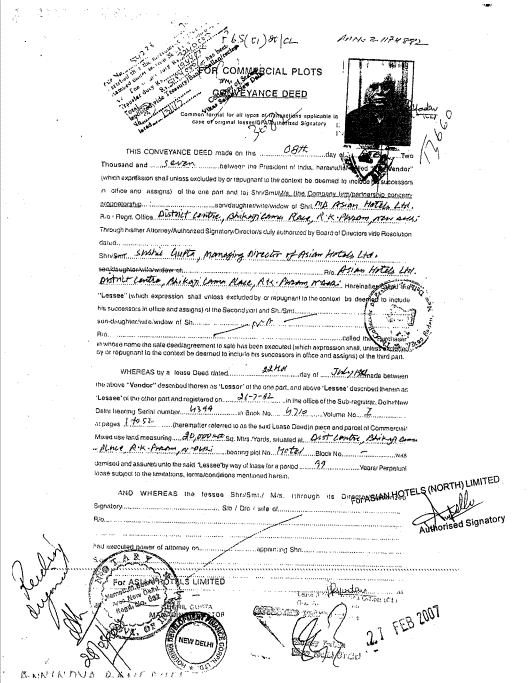


**ENCLOSURE IV: IMPORTANT PROPERTY DOCUMENTS EXHIBIT**

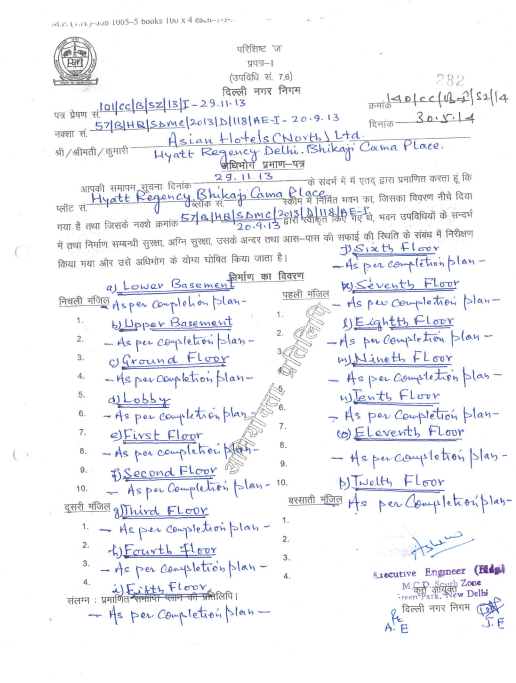
***Lease Deed***



***Conveyance Deed***



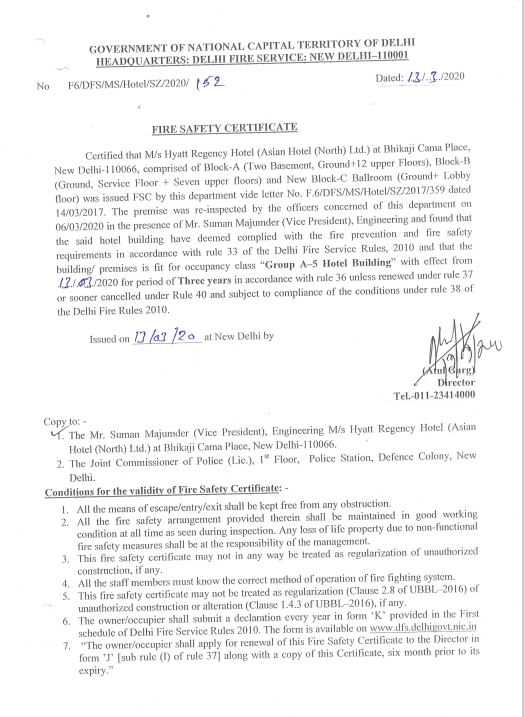
***Tower-B Completion Certificate***



***Layout Plan***



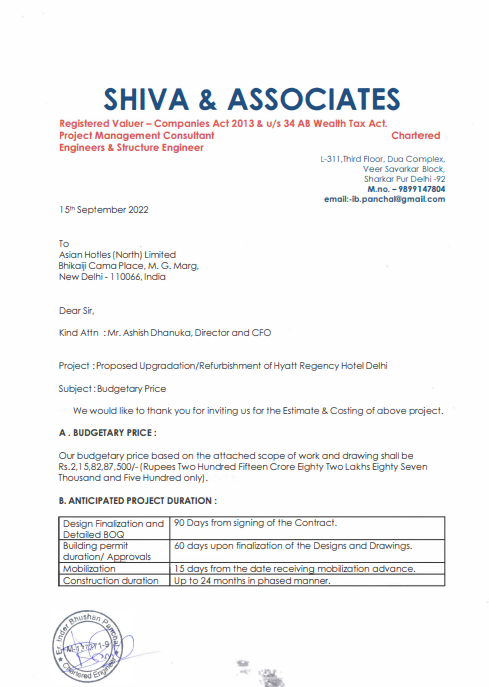
***Compliance Certificate***



***Certificate of Incorporation***



***Capex to be incurred***



**ENCLOSURE: V – VALUER’S IMPORTANT REMARKS**

|  |  |
| --- | --- |
|  | Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown/ identified to us on the site unless otherwise mentioned in the report of which some reference has been taken from the information/ data given in the copy of documents provided to us and informed verbally or in writing out of the standard checklist of documents sought from the client & its customer which they could provide within the reasonable expected time out of the standard checklist of documents sought from them and further based on certain assumptions and limiting conditions. The information, facts, documents, data which has become primary basis of the report has been supplied by the client which has been relied upon in good faith and is not generated by the Valuer. |
|  | The client/ owner and its management/ representatives warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us either verbally, in writing or through documents has been relied upon in good faith and we have assumed that it is true & correct without any fabrication or misrepresentation. I/We shall not be held 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. |
|  | Legal aspects for eg. Investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents provided to us such as title documents, Map, etc. from any concerned Govt. office etc. have to be taken care by legal expert/ Advocate and same is not done at our end. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. |
|  | In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information provided to us by the client during the course of the assessment. |
|  | Getting cizra map or coordination with revenue officers for site identification is a separate activity and is not part of the Valuation services and same has not been done in this report unless otherwise stated. |
|  | Wherever any details are mentioned in the report in relation to any legal aspect of the property such as name of the owner, leases, etc. is only for illustration purpose and should not be construed as a professional opinion. Legal aspects are out of scope of this report. Details mentioned related to legal aspect are only based on the copy of the documents provided to us and whatever we can interpret as a non-legally trained person. This should be cross validated with a legal expert. We do not vouch any responsibility regarding the same. |
|  | We have made certain assumptions in relation to facts, conditions & situations affecting the subject of, or approach to this exercise that has not been verified as part of the engagement rather, treated as “a supposition taken to be true”. If any of these assumptions prove to be incorrect then our estimate on value will need to be reviewed. |
|  | This is just an opinion report based on technical & market information having general assessment & opinion on the indicative, estimated Market Value of the property for which Bank has asked to conduct the Valuation. 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. |
|  | We have relied on the data from third party, external sources & information available on public domain to conclude the valuation. 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 the data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data is extracted from authentic sources, however we still can’t vouch its authenticity, correctness, or accuracy. |
|  | Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values. |
|  | Value varies with the Purpose/ Date/ Asset Condition & situation/ Market condition, demand & supply, asset utility prevailing on a particular date/ Mode of sale. The indicative & estimated prospective Value of the asset given in this report is restricted only for the purpose and other points mentioned above prevailing on a particular date as mentioned in the report. If any of these points are different from the one mentioned aforesaid in the Report then this report should not be referred. |
|  | Our report is meant ONLY for the purpose mentioned in the report and should not be used for any other purpose. The Report should not be copied or reproduced for any purpose other than the purpose for which it is prepared for. I/we do not take any responsibility for the unauthorized use of this report. |
|  | We owe responsibility only to the authority/client that has appointed us as per the scope of work mentioned in the report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents. |
|  | This report is having limited scope as per its fields & format to provide only the general basic idea of the value of the property prevailing in the market based on the site inspection and documents/ data/ information provided by the client. The suggested indicative prospective estimated value should be considered only if transaction is happened as free market transaction. |
|  | The sale of the subject property is assumed to be on an all cash basis. Financial arrangements would affect the price at which the property may sell for if placed on the market. |
|  | The actual realizable value that is likely to be fetched upon sale of the asset under consideration shall entirely depend on the demand and supply of the same in the market at the time of sale. |
|  | While our work has involved an analysis & computation of valuation, it does not include detailed estimation, design/ technical/ engineering/ financial/ structural/ environmental/ architectural/ compliance survey/ safety audit & works in accordance with generally accepted standards of audit & other such works. The report in this work in not investigative in nature. It is mere an opinion on the likely estimated valuation based on the facts & details presented to us by the client and third party market information came in front of us within the limited time of this assignment, which may vary from situation to situation. |
|  | Where a sketched plan is attached to this report, it does not purport to represent accurate architectural plans. Sketch plans and photographs are provided as general illustrations only. |
|  | Documents, information, data including title deeds provided to us during the course of this assessment by the client is reviewed only upto the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work. These are not reviewed in terms of legal rights for which we do not have expertise. Wherever any information mentioned in this report is mentioned from the documents like owners name, etc., it is only for illustration purpose and may not necessary represent accuracy. |
|  | The report assumes that the borrower/company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets is managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with relevant laws, and litigations and other contingent liabilities that are not recorded/reflected in the documents/ details/ information/ data provided to us. |
|  | This valuation report is not a qualification for accuracy of land boundaries, schedule (in physical terms), dimensions & identification. For this land/ property survey report can be sought from a qualified private or Govt. surveyor. |
|  | This Valuation report is prepared based on the facts of the property on the date of the survey. Due to possible changes in market forces, socio-economic conditions, property conditions and circumstances, this valuation report can only be regarded as relevant as at the valuation date. Hence before financing, Banker/ FI should take into consideration all such future risk and should loan conservatively to keep the advanced money safe in case of the downward trend of the property value. |
|  | Valuation of the same asset/ property can fetch different values under different circumstances & situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will have considerable lower value. Similarly, an asset sold directly by an owner in the open market through free market transaction then it will fetch better value and if the same asset/ property is sold by any financer due to encumbrance on it, will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing and take decision accordingly. |
|  | Valuation is done for the property identified to us by the owner/ owner representative. At our end we have just visually matched the land boundaries, schedule (in physical terms) & dimensions of the property with reference to the documents produced for perusal. Method by which identification of the property is carried out is also mentioned in the report clearly. Responsibility of identifying the correct property to the Valuer/ its authorized surveyor is solely of the client/ owner for which Valuation has to be carried out. It is requested from the Bank to cross check from their own records/ information if this is the same property for which Valuation has to be carried out to ensure that owner has not misled the Valuer company or misrepresented the property due to any vested interest. Where there is a doubt about the precision position of the boundaries, schedule, dimensions of site & structures, it is recommended that a Licensed Surveyor be contacted. |
|  | In India more than 70% of the geographical area is lying under rural/ remote/ non municipal/ unplanned area where the subject property is surrounded by vacant lands having no physical demarcation or having any display of property survey or municipal number / name plate on the property clearly. Even in old locations of towns, small cities & districts where property number is either not assigned or not displayed on the properties clearly and also due to the presence of multiple/ parallel departments due to which ownership/ rights/ illegal possession/ encroachment issues are rampant across India and due to these limitations at many occasions it becomes tough to identify the property with 100% surety from the available documents, information & site whereabouts and thus chances of error, misrepresentation by the borrower and margin of chances of error always persists in such cases. To avoid any such chances of error it is advised to the Bank to engage municipal/ revenue department officials to get the confirmation of the property to ensure that the property shown to Valuer/ Banker is the same as for which documents are provided. |
|  | If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report and this report will be made for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township and the subject unit must be approved in all respect. |
|  | Due to fragmented & frequent change in building/ urban planning laws/ guidelines from time to time, different laws/ guidelines between regions/ states and no strict enforceability of Building Bye-Laws in India specially in non-metro and scale b & c cities & Industrial areas, property owners many times extend or make changes in the covered area/ layout from the approved/ applicable limits. There are also situations where properties are decades old when there was no formal Building Bye-Laws applicable the time when the construction must have been done. Due to such discrete/ unplanned development in many regions sometimes it becomes tough for the Valuer to determine the exact lawful situation on ground. Unless otherwise mentioned in the report, the covered area present on the site as per site survey will be considered in the Valuation. |
|  | Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated. |
|  | Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services. |
|  | Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various data point/ information/ factors/ assumption considered by the consultant which became the basis for the Valuation report before reaching to any conclusion. |
|  | Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. |
|  | Value analysis of any asset cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. Therefore, there can be no standard formula to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers, demand & supply prevailing in the market and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to take informed and wise decision about the Value of the asset and can help in facilitating the arm’s length transaction. |
|  | This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component, or item wise analysis. Analysis done is a general assessment and is not investigative in nature. |
|  | This report is prepared on the RKA V-L1 (Basic) Valuation format as per the client requirement and scope of work. This report is having limited scope as per its fields & format to provide only the general estimated & indicative basic idea of the value of the property prevailing in the market based on the information provided by the client. No detailed analysis, audit or verification has been carried out of the subject property. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover. |
|  | This is just an opinion report and doesn’t hold any binding on anyone. It is requested from the concerned Client/ Bank/ Financial Institution which is using this report for mortgaging the property that they should consider all the different associated relevant & related factors & risks before taking any business decision based on the content of this report. |
|  | 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. |
|  | As per IBA Guidelines & Bank Policy, in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted. |
|  | **Defect Liability Period is 15 DAYS.** We request the concerned authorized reader of this report to check the contents, data, information, and calculations in the report within this period and intimate us in writing at [**valuers@rkassociates.org**](mailto:valuers@rkassociates.org) within 15 days of report delivery, if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. After this period no concern/ complaint/ proceedings in connection with the Valuation Services will be entertained due to possible change in situation and condition of the property. |
|  | 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 upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. |
|  | 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. |
|  | This Valuation report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) R.K Associates Quality Policy, (3) Valuation & Survey Best Practices Guidelines formulated by management of R.K Associates, (4) Information input given to us by the customer and (4) 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 we request the user of this report to immediately or atleast within the defect liability period to bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly. |
|  | R.K Associates never releases any report doing alterations or modifications by pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void. |
|  | We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws. |
|  | The final copy of the report shall be considered valid only if it is in hard copy on the company’s original letter head with proper stamp and sign on it of the authorized official upon payment of the agreed fees. User shall not use the content of the report for the purpose it is prepared for only on draft report, scanned copy, email copy of the report and without payment of the agreed fees. In such a case the report shall be considered as unauthorized and misused. |