

approximately same time then that would, however, provide more reliable method to follow."

7.2 Selection of method

In our case we have considered the following:

1. The property under question is fully under the possession and control of the owner.
2. No transaction evidence of Karkhana land is available.
3. Transaction evidence of Shali and Bastu land is available.
4. Market Value of Bastu, Karkhana and Danga land for the purpose of Registration and Stamp Duty as determine by the Directorate of Registration and Stamp Duty, Government of West Bengal is available.
5. Unit market rate of construction of structures can be assessed.

Therefore, I opine that the value found by applying Sales Comparison Method under Market Approach should be taken as the Market Value of land under question and Replacement Cost Method under Cost Approach may be adopted for estimation of market value of the building.

COMPARABLE TRANSACTION METHOD

When identical cases are available as comparables this method is the mostly used one. But even for identical cases some judgments may be necessary to evaluate it properly.

Judgements:

- i) Hon'ble Gujarat High Court in CIT, Gujrat I-II v Sumatilal Chotalal Shah (1980) 124 ITR 862 held that a sale instance can be regarded as comparable even if it is remote in point of time from the relevant valuation date.
- ii) In Wenger and Co. and other v Distt. Valuation Officer, New Delhi and others reported in (1978) 115 ITR 648 (Del), it was held that it is one of the settled principles of valuation that market value has to be ascertained by considering sales

of similar properties in the same neighbourhood or similar environment.

The method of valuation comprises of two stages –

6. To collect the price in the transaction compared.
7. To allow for the difference directly.

REPLACEMENT COST METHOD

Generally, replacement cost is the cost that is relevant to determining the price that a participant would pay as it is based on replicating the utility of the asset, not the exact physical properties of the asset.

Usually replacement cost is adjusted for physical deterioration and all relevant forms of obsolescence. After such adjustments, this can be referred to as depreciated replacement cost.

The key steps in the replacement cost method are:

- (a) calculate all of the costs that would be incurred by a typical participant seeking to create or obtain an asset providing equivalent utility,
- (b) determine whether there is any depreciation related to physical, functional and external obsolescence associated with the subject asset, and
- (c) deduct total depreciation from the total costs to arrive at a value for the subject asset.

To calculate the replacement cost of the buildings and structures, in our asset, we have adopted plinth area technique. According to this technique, the plinth area of individual structure is measured and the average cost of construction per unit is determined. The replacement cost is calculated by multiplying the plinth area by the unit rate.

8. SALES AND OTHER EVIDENCES

8.1 Overview

- In determining appropriate market rate for the subject property we tried to find out the registered deed of conveyances of karkhana land within the vicinity of the property under question. But no such deed is available. Therefore, we have to give maximum reliance on the evidence of rate of sale of other characters.

We have also relied upon the market value determined by the Inspector General of Director of Registration and Stamp Revenue, Department of Finance, Government of West Bengal for the purpose of registration.

8.2 Evidence - I

- Vide Deed no. I-0501-02464/2021 dated 29.07.2021 one 2.475 decimal Shali land at Plot no. R.S. 66 & 68, Mouza Baltikuri, P.S. Jagachha, District Howrah under Howrah Municipal Corporation, was sold @ ₹10,49,703 L.S. The said land abuts on a 12 ft. wide road.

8.3 Evidence - II

- Vide Deed no. I-0501-01825/2021 dated 27.04.2021 one 3.3 decimal Shali land at Plot no. L.R. 243, Mouza Baltikuri, P.S. Jagachha, District Howrah under Howrah Municipal Corporation, was sold @ ₹5,00,000 L.S. The said land abuts on a 8 ft. wide road.

8.4 Evidence - III

- The Government registered market value of per decimal Karkhana, Bastu, and shali land is ₹7,69,869.50, ₹7,60,813 and ₹7,07,172 respectively.

9. VALUATION CALCULATION

9.1 LAND

9.1.1 Overview

- While determining the market value of land we have considered different factors common among the comparable evidence and the subject property. We also give proper weightage on procedures followed by different government organisation as well as indices published by government and private research sites.

9.1.2 Comparable Evidence – I (With respect to)

Comparable I permissible use	=	Shali
Subject property permissible use	=	Karkhana
Subject property permissible use	=	Bastu
Government registered market value of Shali land in ₹ per decimal	=	707172
Government registered market value of Karkhana land in ₹ per decimal	=	769869
Government registered market value of Bastu land in ₹ per decimal	=	760813
Ratio of Karkhana land : Shali Land	=	1.09
Ratio of Bastu land : Shali Land	=	1.08
Actual ratio of Karkhana land : Shali Land	=	1.50
Actual ratio of Bastu land : Shali Land	=	1.25
Comparable I sale price in ₹	=	1,049,703
Comparable I area in decimal	=	2.475
Comparable I sale rate in ₹ per decimal	=	424,122
Comparable I abutting Road Width in ft.	=	12
Comparable I FAR (for Industry)	=	None
Subject property abutting Road Width in ft.	=	>20
Comparable I and Subject property market value ratio	=	1.25
Subject property sale rate in ₹ per decimal on the basis abutting road	=	530,153
Subject property adjusted sale rate in ₹ per decimal on the basis of Karkhana land character	=	795,230
Subject property adjusted sale rate in ₹ per decimal on the basis of Bastu land character	=	662,691
Average depth of land filling required to convert a Shali land to a Karkhana developed land in ft	=	2
Area of Karkhana land under question in decimal	=	54.00
Area of Bastu land under question in decimal	=	22.74
Area of Karkhana land under question in sq ft	=	23522
Volume of land filling in cft	=	47045
Volume of land filling in cu m	=	1332
Average cost of land filling in Howrah district in ₹ per cu m	=	380
Cost of filling in ₹ per decimal	=	9,370
Subject Karkhana land adjusted sale rate in ₹ per decimal in 2021	=	804,600
Subject Bastu land adjusted sale rate in ₹ per decimal in 2022	=	672,061

9.1.3 Comparable Evidence – II (With respect to)

Comparable II permissible use	=	Shali
Subject property permissible use	=	Karkhana
Subject property permissible use	=	Bastu
Government registered market value of Shali land in ₹ per decimal	=	707172
Government registered market value of Karkhana land in ₹ per decimal	=	769869
Government registered market value of Bastu land in ₹ per decimal	=	760813
Ratio of Karkhana land : Shali Land	=	1.09
Ratio of Bastu land : Shali Land	=	1.08
Actual ratio of Karkhana land : Shali Land	=	1.50
Actual ratio of Bastu land : Shali Land	=	1.25
Comparable II sale price in ₹	=	500,000
Comparable II area in decimal	=	3.3
Comparable II sale rate in ₹ per decimal	=	151,515
Comparable II abutting Road Width in ft.	=	8
Comparable II FAR (for Industry)	=	None
Subject property abutting Road Width in ft.	=	>20
Comparable II and Subject property market value ratio	=	3.00
Subject property sale rate in ₹ per decimal on the basis abutting road	=	454,545
Subject property adjusted sale rate in ₹ per decimal on the basis of Karkhana land character	=	681,818
Subject property adjusted sale rate in ₹ per decimal on the basis of Bastu land character	=	568,182
Average depth of land filling required to convert a Shali land to a Karkhana developed land in ft	=	2
Area of Karkhana land under question in decimal	=	54.00
Area of Bastu land under question in decimal	=	22.74
Area of Karkhana land under question in sq ft	=	23522
Volume of land filling in cft	=	47045
Volume of land filling in cu m	=	1332
Average cost of land filling in Howrah district in ₹ per cu m	=	380
Cost of filling in ₹ per decimal	=	9,370
Subject Karkhana land adjusted sale rate in ₹ per decimal in 2021	=	691,188
Subject Bastu land adjusted sale rate in ₹ per decimal in 2021	=	577,552

9.1.4 Final Calculation

Market rate of subject Karkhana land w.r.to Comparable I in ₹	=	804600
Market rate of subject Karkhana land w.r.to Comparable II in ₹	=	691188
Market rate of subject Bastu land w.r.to Comparable I in ₹	=	672061
Market rate of subject Bastu land w.r.to Comparable II in ₹	=	577552
Being an evidence of nearer time of valuation we are giving more weightage on Comparable I than Comparable II		
Weightage of Comparable I in %	=	65
Weightage of Comparable II in %	=	35
Weighted average market value of the subject Karkhana land in ₹ per decimal	=	764,906
Weighted average market value of the subject Bastu land in ₹ per decimal	=	628,082

Total area of Bastu land in decimal	=	22.74
Market Value of Factory use vacant land in ₹	=	41304911
Market Value of Bastu use vacant land in ₹	=	14530477
Market Value of vacant land in ₹	=	55835389
Discount due to building encumbrance @ in %	=	5
Market Value of building encumbered land in ₹	=	53043619

9.2 BUILDING & STRUCTURES

9.2.1 Overview

- While determining the market value of structure we have considered the market rate of construction of such type of structures on their per sq ft. unit plinth area rate. We also considered the effect of physical depreciation, economic obsolescence and functional obsolescence on the basis of the future physical life, location, economic factor, obsolete building design and other factors.

9.2.2 CALCULATION


Sl. NO.	Building	Area (sq. ft.)	Replacement Cost New (₹)	Year of Construction	Depreciation in %	Market Value (₹)
1	Office Building	1,151	1,381,200	2005	23.08	1,062,462
2	Workshop 1	3,507	4,909,800	2005	20.00	3,927,840
3	Workshop 2	3,541	2,832,800	2005	27.27	2,060,218
4	Boundary wall	238 meter length	952,000	2005	23.08	732,308
TOTAL		8,199	10,075,800	7,782,827		

10. VALUATION RATIONALE

10.1 Overview

- In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales of comparable properties (as previously detailed). For evaluation of structure value, we depend on the market rate of construction as it varies from place to place.

10.2 Valuation Analyses

-  employs International Valuation Standards (IVSC) recognised valuation methodologies in estimating the value of a property, having regard to the definition of market value and market based evidence. The result is the best estimate of value can produce, but it is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to % discount allowed on comparable and other data and market conditions. These valuation methodologies use market derived assumptions (including sale rate and discount rates) obtained from analysed transactions.

We have not independently verified market information, nor adopted it as our own, nor can we comment on or accept its reliability. The Reliant Party accepts the risk that if any of the unverified information/advice provided by others and referred to in our valuation is incorrect, then this may have an effect on the valuation.

While estimating the market value of boundary wall we have made assumption on rate of replacement cost, which has been derived from non-verified market data.

The estimation of market value of land is done on the basis of the valuation analysis of different comparable property transactions with the subject one. We considered vastness of land area, abutting road width, permissible use, year of transaction and valuation etc. to arrive at our value conclusion.

Our final market value conclusion is subject to all the assumptions, special assumptions and limiting conditions mentioned in our valuation report.

11. VALUATION SUMMARY

- We have reconciled the value as follows:

SUMMARY OF VALUES	
Market Value of land	₹ 5,30,43,619
Market Value of Structures	₹ 1,02,71,174
Market Value of the asset	₹ 6,33,14,793
Realisable Value of the asset	₹ 5,70,00,000
Forced Sale Value of the asset	₹ 4,43,00,000

Given the demonstrated market parameters and considering the subject asset shall be transacted as a part of a going concern and also after taking into consideration all relevant factors, we have assessed the **Market Value** of the subject property as on **November 02, 2021**, to be:


₹6,33,00,000

(Rupees six crore and thirty-three lakhs only)



12. ASSUMPTIONS, SPECIAL ASSUMPTIONS AND LIMITATIONS

12.1 ASSUMPTIONS

Assumptions are a necessary part of undertaking valuations.  adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.

- 12.1.1 To comply with the definition, we have considered the realisable value of the subject property as 10% less than its market value.
- 12.1.2 In this case, considering moderate demand for industrial land in that area, we have assumed the Forced Sale Value as 30% less than the market value of the property.
- 12.1.3 The actual land under the possession of the company is as per the site plan provided to us.
- 12.1.4 There is no litigation pending on the subject property in any court of law in India.
- 12.1.5 Lands under different deeds are contiguous land.
- 12.1.6 All lands under consideration are developed land.
- 12.1.7 The land and buildings in use are part of a going concern.
- 12.1.8 There is no litigation pending on the subject property in any court of law in India.
- 12.1.9 The documents submitted to us to estimate the market value of the property are all genuine and true.
- 12.1.10 The property is built as per the approved building plan.
- 12.1.11 The land doesn't come under the purview of ULCR Act;
- 12.1.12 There is no acquisition notice on the subject land.
- 12.1.13 The land value of properties abutting on roads having width more than 20 ft always fetches more than double value of lands abutting on 4-6 ft. wide narrow common passages.
- 12.1.14 The life of brick built structure, RCC Frame structure and industrial structure has been considered as 55, 75 and 55 years respectively.

- 12.1.15 The company being established in the year 1981 and considering all the buildings took about 4 years to come into being, the year of construction of all the structures has been considered as 1985.
- 12.1.16 The documents submitted to us to estimate the market value of the property are all genuine and true.
- 12.1.17 The land doesn't come under the purview of ULCR Act;
- 12.1.18 There is no acquisition notice on the subject land.
- 12.1.19 The lives of the load bearing structure and Industrial Steel Structure have been considered as 65 and 55 years respectively.
- 12.1.20 The salvage value of all structures has been considered as 10% of the replacement cost.
- 12.1.1 The Valuer renders no opinion as to legal fee or title; it is assumed to be marketable. Prevailing leases, liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property was appraised as though free and clear, under responsible ownership, and competent management.
- 12.1.1 We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. is not liable for any loss occasioned by a decision not to conduct further investigations.

12.2 SPECIAL ASSUMPTIONS

Where assumed facts differ from those existing at the date of valuation, it is referred to as a "special assumption". Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by participants generally on the valuation date.

- 12.2.1 The areas of different structures, as supplied to us, are true and accurate. We did not perform any survey to check their accuracies at site.
- 12.2.2 The land area of the plot as supplied by the client is accurate and true.

12.3 LIMITATIONS

- 12.2.3 This valuation report shall give a completely different result if any of the above assumptions is found to be un-true in future.
- 12.2.4 This report is valid for the purpose of supporting secured lending decision of the property only and not for any other purposes.
- 12.2.5 All information presented in this report is true and accurate to the best of the valuer's knowledge and belief.
- 12.2.6 Neither the valuer nor any employee of M/s. Sandip Kumar Deb & Associates has any current or contemplated future financial interest in the property appraised.
- 12.2.7 All estimates of value are presented as the valuer's considered opinion based on information obtained during the investigation and do not represent an offer to buy or sell.
- 12.2.8 Testimony or attendance in court by reason of this valuation is not a requirement of this engagement, unless such arrangements have been made in advance and the client is ready to pay the fees against such expert service.
- 12.2.9 This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the author.
- 12.2.10 The effective date of the valuation sets the basis of value, which is based on the purchasing power of the Indian Rupee as of that date.
- 12.2.11 The purpose of the valuation also sets the basis of value; this valuation report shall not be used for any other purposes apart from that mentioned in this report.
- 12.2.12 Values vary from time to time in response to changing market conditions. The valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
- 12.2.13 If any financial institution advances loan facility on this property, it should ensure the right ownership, exact possession and compare the extent shown in this valuation report with reference to the latest legal opinion.
- 12.2.14 The publication of this valuation report in whole or in part, or any reference hereto or to the valuation figures contained herein, or to the name and professional affiliation of this valuer without the

written approval of the undersigned is completely prohibited.



16. MANDATORY CERTIFICATION

We certify

- That we have identified the schedule of property;
- That we have physically inspected the property on 28.10.2021
- That we have valued the right property;
- That we have taken photographs of the property valued along with photographs of the adjoining buildings for easy identification of the property in question;
- That such photographs are signed on the back with stamp and form an integral part of the valuation report dated 05.11.2021 submitted by us to the Bank.
- That appropriate weightage has been given by me for (i) location of property (ii) self-occupancy (iii) tenancy (iv) realizability and such factors which are vital for right valuation;
- That we furnish basis-specific valuation of the property separately, as per Bank's laid down norms here under:

Sl. no.	BASIS	VALUE
a)	Cost Price of the property	₹ 6,33,14,793
b)	Market Value of the property	₹ 6,33,00,000 ✓
c)	Realizable Value	₹5,70,00,000 ✓
d)	Distress Sale Value	₹4,43,00,000 ✓
e)	Registration value for similar properties with Sub-Registrar Office (land only)	₹5,89,81,652

DEB SANDIP
KUMAR

Digitally signed by DEB SANDIP
KUMAR
Date: 2021.11.18 15:28:51 +05'30'

Sandip Kumar Deb

BE, LLB, MSc (RE Val), MSc (P&M Val), AMIS (OS)

M.RICS (UK), ASA (USA), MASCE (USA)

FIE (Arch. Engg), FIV, FIPHE, FICA, FIIQS

Chartered Valuation Surveyor

Chartered Architectural Engineer

Registered Valuer of Land & Building of Companies Act, 2013

Regn. No. IBBH/RV/11/2019/11021

Registered Valuer of Immovable Properties of Wealth Tax Act, 1957

Regn. No. WB/CCIT, Kol-VII/22/Registration of Valuer/Immovable
Property/2005-06



APPROVED

मुख्य अधिकारी
FOR BANK OF INDIA

Branch Manager/ Sr. Branch Manager

Code No.

Date:

मुख्य अधिकारी / Chief Manager
कोलकाता एम एस ई शाखा
Kolkata SME Branch





Directorate of Registration and Stamp Revenue

Finance (Revenue) Department of West Bengal

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Market Value of Land

[?] Marked items are mandatory.

District	Howrah	Thana	JAGADPURA
Local Body	H 11 - Howrah Municipal Corporation	Mouza	Bakun
Road	Not Available	Road Zone	5
Premises No.	100	Vard No.	50
Jurisdiction of	A D R DOUGLE	H 11 - Howrah Municipal Corporation	HOWRAH MUNICIPAL CORPORATION
Project Name	Not Specified		

Plot No	RS	RS Khailan No	377
get owner details of property please enter LR plot no and LR khailan no			

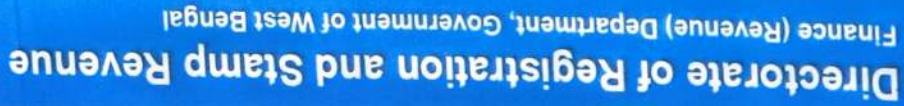
Proposed Land Use	Build	Nature of Land (as recorded in ROR)	Build
Area of Land	Decmal	Sq Feet	Total Area of Land (Decmal)
Adjacent to Main Road	Yes	Approach Road Width (in feet)	10
Encumbered by Tenant	No	Tenant is Purchaser?	No
Flagged Property	Yes * NO	Bargadar is Purchaser?	Yes No

Type the Characters shown

654505

Try New Characters

Market Value: Rs. 1,74,00,700/-

[illegible]

Plot No. 55
R/S Khairan No. 8
377
To get owner details of property please enter LR plot no and LR khairan no

[illegible]

Type the characters shown

ESZ76A

By now characters

Market Value: Rs. 4,15,72,950

Directorate of Registration and Stamp Revenue

Finance (Revenue) Department, Government of West Bengal



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Market Value of Land

(* mark ed items are mandatory)

Thana	JALDAHA	District	Howrah
Local Body	H T : Howrah Municipal Corporation	Local Body	Howrah
Road	Not Available	Road	Not Available
Premises No		Premises No	
Jurisdiction of	A D S R : DDA/UP	Jurisdiction of	A D S R : DDA/UP
Project Name	Not Specified	Project Name	Not Specified
RS Khatian No	00707	RS Khatian No	00707
To get owner details of property, please enter LR plot no and LR khatian no		To get owner details of property, please enter LR plot no and LR khatian no	
Proposed Land Use	SRI	Proposed Land Use	SRI
Area of Land	Decmal	Area of Land	Decmal
Adjacent to Main Road	Yes	Adjacent to Main Road	Yes
Encumbered by Tenant	No	Encumbered by Tenant	No
Bargadar	No	Bargadar	No
Legated Property	Yes * No	Legated Property	Yes * No

Nature of Land (as recorded in ROH)	SRI	Nature of Land (as recorded in ROH)	SRI
Chatak	Sq Feet	Chatak	Sq Feet
Total Area of Land (Decmal)	77	Total Area of Land (Decmal)	77
Approach Road Width (in feet)	16	Approach Road Width (in feet)	16
Tenant Is Purchaser	No	Tenant Is Purchaser	No
Bargadar Is Purchaser	Yes No	Bargadar Is Purchaser	Yes No

PAZBBA

By New Mutation

Type the Characters Shown

Market Value: RS-5.42.52.2190

