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Report on valuation of Industrial Land with allied Construction of M/s Secure Meters Limited situated at Plot No. E-566, GIDC, Sanand–II Industrial Estate Of Village Hirapur, Taluka Sanand, Ahmedabad, Gujarat, India as on 28th February, 2019

Valuation
Investment Banking
Restructuring
Advisory Services

www.rbsa.in

To,

State Bank of India
Overseas Branch,
New Delhi, India

Report Reference No.: RVA1920DTFAREP005/5

Date: 08th May, 2019

Dear Sir,

In accordance with your Engagement Letter (SBI/OBND/AMT-III/2018-19/383) dated '22nd February, 2019', we enclose our report on the Market Value and Distress Sale Value of Industrial Land with allied Construction of M/s Secure Meters Limited situated at Plot No. E-566, Behind Hindustan Coca-Cola Beverages Pvt. Limited, GIDC, Sanand – II Industrial Estate of Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat, India. The date of valuation is March 28th February, 2019.

The summary of valuation is mentioned as under:

Market Value	Distress Sale Value
INR 81.51 Crore	INR 57.00 Crore

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General Information

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1. General Information

1.1	Property Address	:	Plot No. E-566, Behind Hindustan Coca-Cola Beverages Pvt. Limited, GIDC, Sanand – II Industrial Estate of Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat
1.2	Name of Owner	:	M/s Secure Meters Limited
1.3	Purpose of Valuation	:	Bank Loan or security purpose.
1.4	Date of Inspection	:	28th February, 2019
1.5	Date of Valuation	:	28th February, 2019
1.6	Type of the property	:	Industrial Land
1.7	Nature of Ownership	:	Leasehold

Locality	Subject property located in Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat
Land Mark	Hindustan Coca-Cola Beverages Pvt, Tata Motors Vendor Park are the famous landmarks to reach at the subject property.
Amenities	All the basic amenities like schools, hospital, post-office, market place, banks, recreational centres etc. are available within 10KM–15KM of subject property
Neighborhood	Industrial premises such as Viega Industries, Posco India Holding Pvt. Ltd., Ford Vehicle and Engine Assembly Plant, Tata Motors Nano Plant, Hitachi Hi-Rel Power Electronics, Endurance Technologies Ltd., Nivea India Pvt Ltd., etc. are located in the neighborhoods of subject property.

Approximate Distance of Subject Property from major Transportation Nodes:

Railway Station	Ahmedabad Railway Station is approximately 39 kms away from subject property.
Bus Station	Ahmedabad Central GSRTC Bus Stand is approximately 37 Kms away from subject property.
Airport	Ahmedabad Airport is approximately 60km away from subject property.

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PHOTOGRAPHS OF THE PROPERTY

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2. PHOTOGRAPHS OF THE PROPERTY

Entrance Gate

View of Gate No.2

View of Plant 1 Moulding and Store Area

Store and Ware House Area

Moulding Plant Area

Moulding Plant Area

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2. PHOTOGRAPHS OF THE PROPERTY

Utility Building

Internal View of Canteen

Visitor, Training and Locker Building

Internal View of Training Area

Internal View of Locker Area

Security Building

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Brief Description of the Property

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3. Brief Description of the Property

3.1 The subject property comprises of immovable property i.e. leasehold industrial land with allied construction situated at Village Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat, India.

3.2 During site inspection, it has been observed that subject property is owner occupied and being used for manufacturing purpose as on the date of inspection.

3.3 As per the copy of Lease deed provided by the company (i.e. Secure Meters Limited), the total land area of the subject property is 81,143.59 SMT. During site inspection, physical measurement of land was not feasible due to large site size. Hence, we have relied upon the documented area provided by the company, i.e. 81,143.59 SMT and the same has been considered for this valuation analysis.

3.4 The subject property is abutting on internal road of GIDC, Sanand II.

3.5 The subject property is regular in shape having levelled topography. The subject property land bounded by boundary wall with two entrance gates.

3.6 The demarcation of the subject property is as below:

Demarcation of Subject property (As per the physical inspection)	
North: Plot No. E-567/1	East: 20.00 Meter U.T. Corridor
South: Plot No. E-565	West: 45.00 Meter Road
Longitude:- 72°17'24.36"E	Latitude:- 22°58'58.73"N

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3. BRIEF DESCRIPTION OF THE PROPERTY

3.7 The ownership document (copy of Lease deed) pertaining to the subject property have been shared with us which reveals that the subject land is a leasehold land, leased by Gujarat Industrial Development Corporation (GIDC). The outline of leasehold land is as mention below:

Particular	Industrial Property
Document	Lease Deed
Document Date	21st March 2017
Lessor	Gujarat Industrial Development Corporation (GIDC)
Lessee/Owner	Secure Meters Limited.
Description of the property given on lease	Plot No. E-566 at GIDC known as Sanand – II Industrial Estate
Land area	81143.59 SMT
Date of commencement of lease	12th July 2016
Lease Tenure	99 Years with renewal further 99 Years

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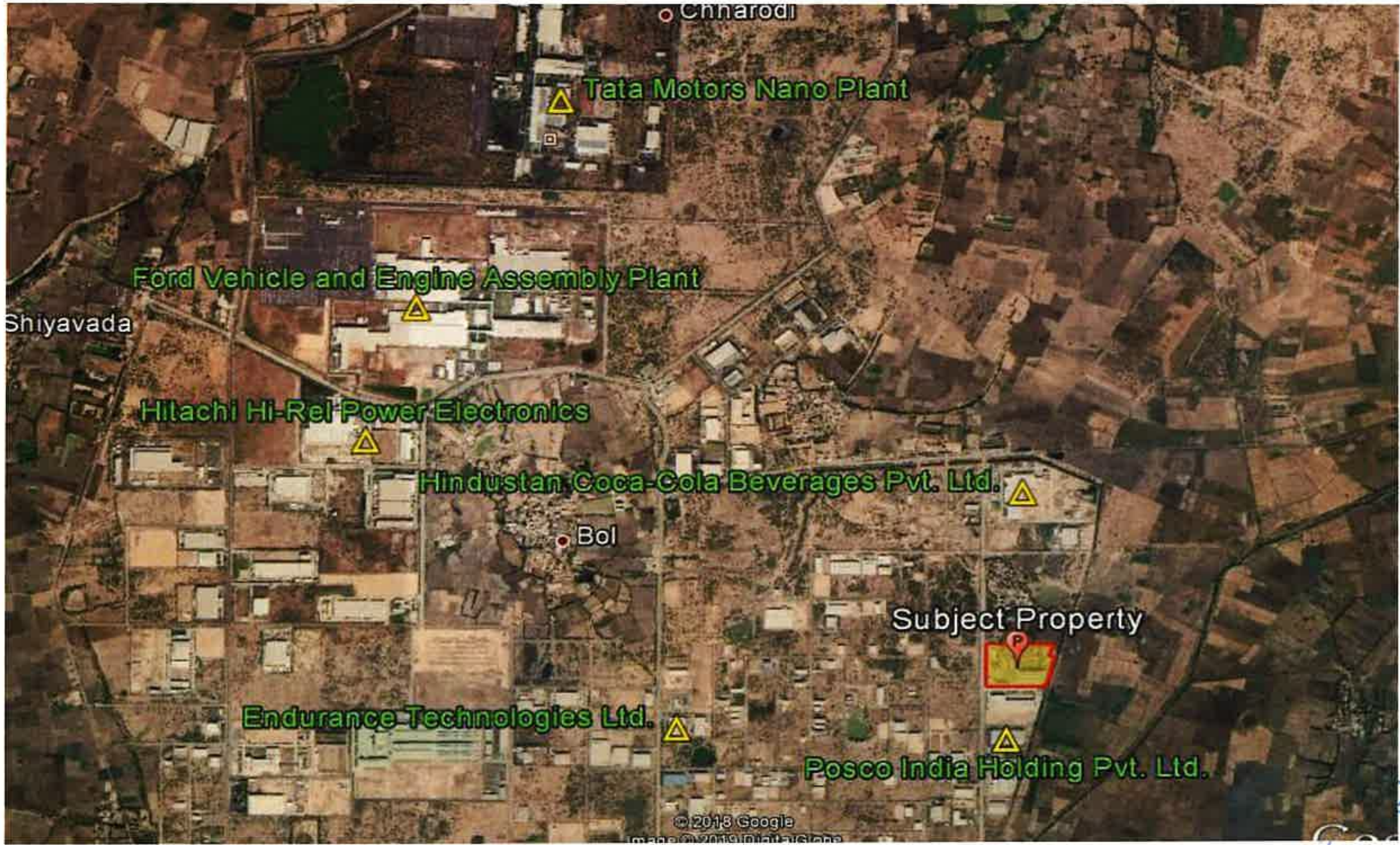
3. Brief Description of the Property

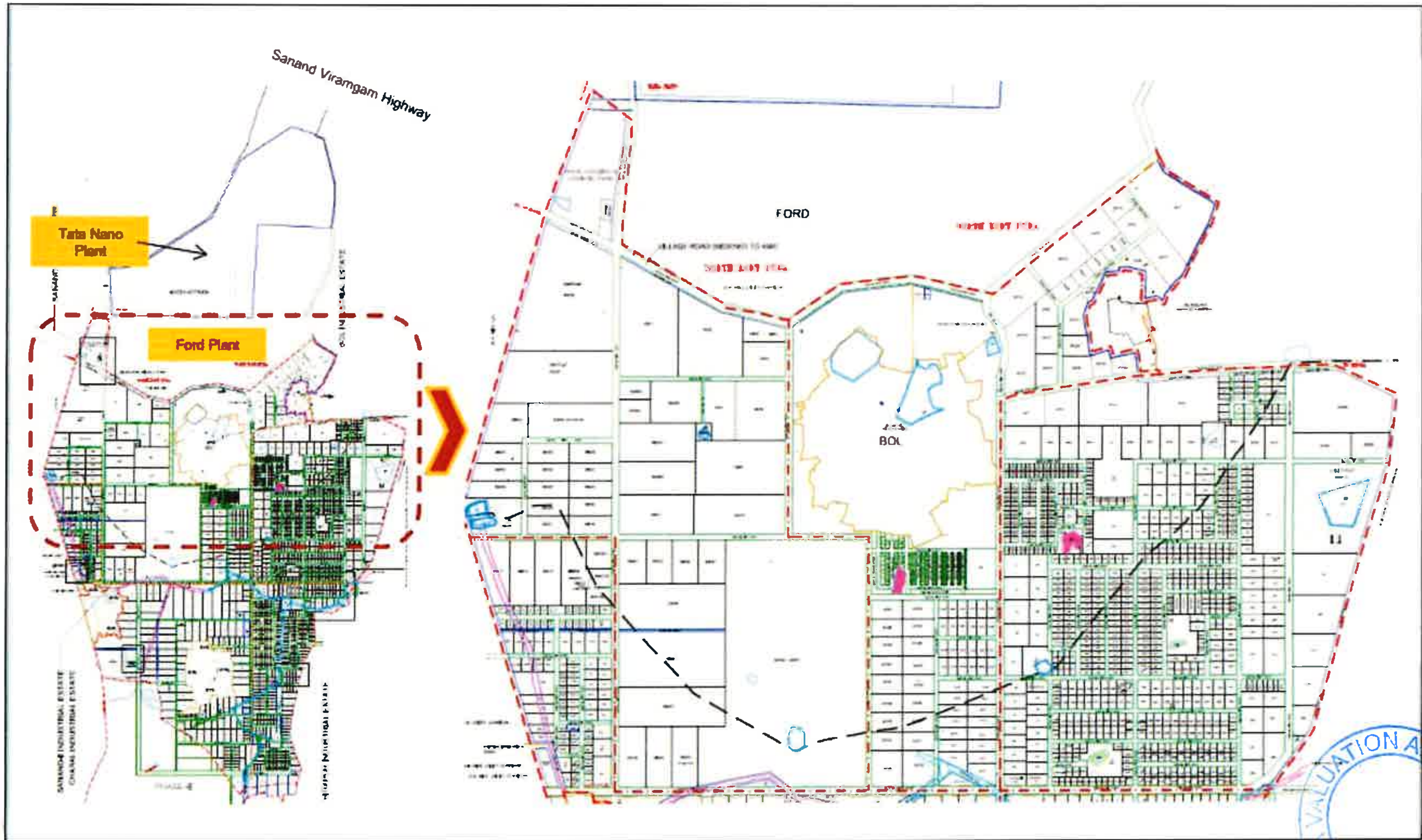


Satellite Image of Subject Property

The demarcation of subject land parcel shown in the satellite image is approximate and does not indicate the exact extent of the property. It is for representation purpose only

3. Brief Description of the Property

3.8 **Layout Map of Sanand GIDC**



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BASIS OF VALUATION

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4. Basis of Valuation

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4.1 Definition of Market Value

As per International Valuation Standards, the Market Value is defined as below:

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

4.2 Documents Received and Reviewed

We had requested the client/bank for property related documents as per our standard list of property information, a copy of which was provided to the client/bank. However, only the following documents were provided to us for our review. This report is based upon the following documents and subject to our assumptions and limiting conditions.

Sr. No.	Copies of documents made available and pursued
1	Lease deed of subject land and approved building layout plan.

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METHODOLOGY

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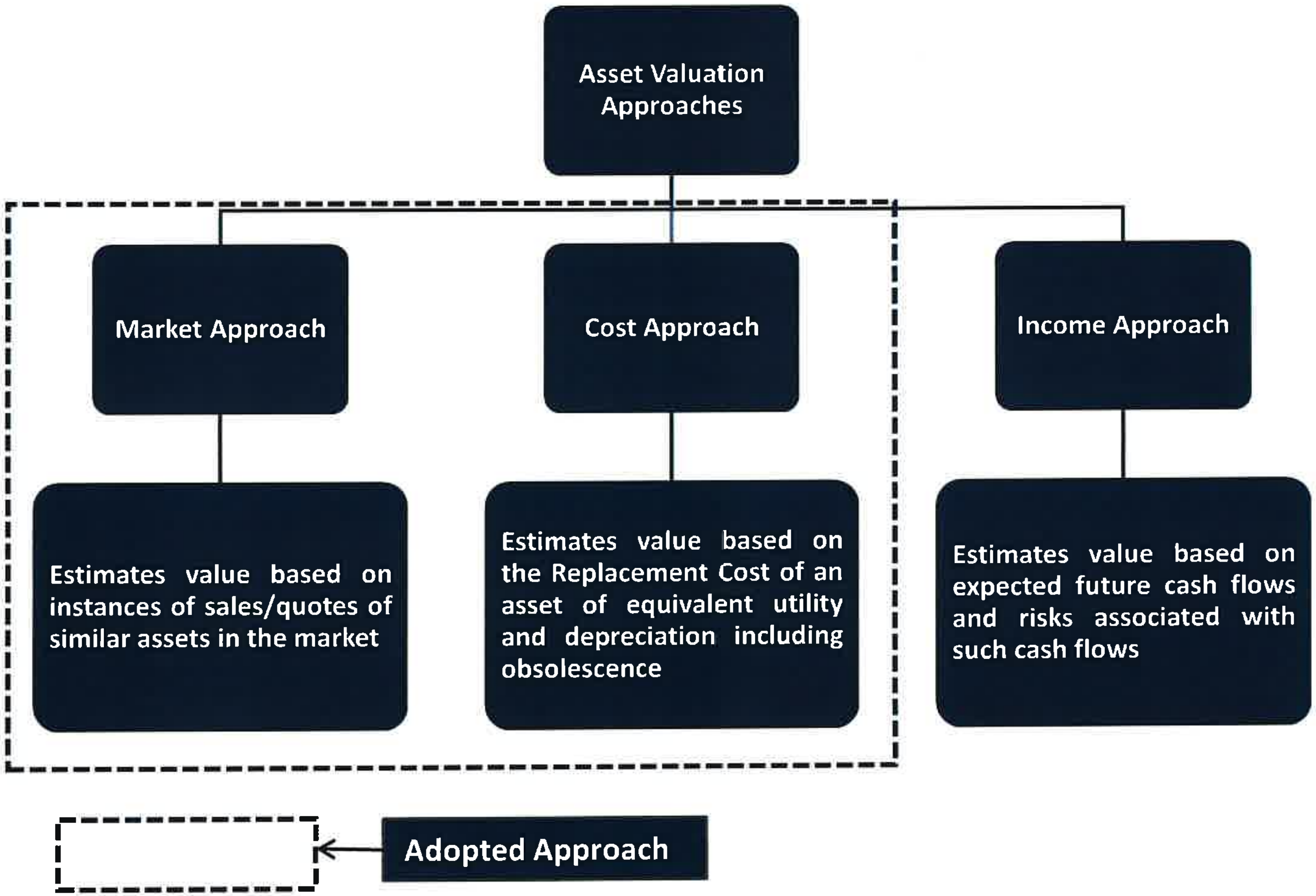
5. METHODOLOGY

Valuation can be carried out by different approaches as mentioned hereunder....



This Valuation is carried out by Market Approach using Sales comparison Method wherein comparable properties available for sale and/or sold are identified by conducting a market survey and appropriate adjustments are made for different factors by assigning weightages. Various factors are considered in the process such as;

5. METHODOLOGY

Valuation of Land

The Sales Comparison Method of Valuation under Market Approach is adopted in which due weightages have been given to factors such as:

a. Right to sell /transfer / lease the property
b. Marketability, demand & supply of similar properties in the surrounding area.
c. Location, accessibility and infrastructure facility
d. Size, shape, orientation, floor level
e. Utility and Development control/building regulations
f. The property rates prevailing in nearby areas and as evident from the available/sale instances of comparable properties found upon market enquiry.
g. Design of building structures and quality of utility services
h. Physical Condition; State of repairs and maintenance.
i. Type of construction and specifications.
j. Age, balance economic life of the structures.

5. METHODOLOGY

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❑ **Valuation of Building** :

- Depreciated Replacement Cost method (DRC) is the most common method under the cost approach. It can be applied to wide range of asset types. It is frequently used when there is either very limited or no evidence of sales transactions of similar assets.
- The cost approach estimates value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction. It is based on the principle of substitution, i.e. that unless undue time, inconvenience, risk or other factors are involved, the price that a buyer in the market would pay for the asset being valued would not be more than the cost to assemble or construct an equivalent asset.
- The DRC method under Cost approach of valuation is adopted for the estimation of Market Value of the buildings and miscellaneous civil structures, as applicable. The Depreciated Replacement Cost is derived from the Gross Current Reproduction / Replacement Cost (GCRC) after deduction of depreciation by considering physical depreciation.
- The GCRC represents cost expected to replace existing asset with similar or equivalent new asset as on date of valuation.
- Computation of Replacement Cost of Buildings & Miscellaneous civil structures.
- The Replacement cost is computed by considering the current rate of construction of similar type of building/civil structures. Technical parameters like dimensions, design and specifications, type of foundations, type of structure/ construction, specifications of finishes etc. are considered based on our visual inspection and information collected at the time of site inspection.
- The Depreciation is deducted from the Gross Current Replacement Cost to derive Depreciated Replacement Cost.
- Balance economic life of buildings and miscellaneous civil structures is estimated based on our visual observation on site and representation made by company officials.

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Observations, Assumptions and Limiting Conditions

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6. Observations, Assumptions and Limiting Conditions

6.1 The Real Estate market in India lacks transparency; the market is largely fragmented with limited availability of authentic, credible and reliable data with respect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers and other market participants would give a fair representation of market trends. This valuation is therefore based on our verbal market survey of the real estate market in the subject area.

6.2 As per the copy of Lease deed, the subject plot is leased out to Secure Meters Limited from GIDC for the period of 99 years with renewal clause from the commencement dated 12th July 2016. Hence, being the long tenure of balance lease period, the subject property is considered equivalent to 'freehold land' and valuation of 'freehold equivalent rights' of Secure Meters Limited has been carried for the said valuation exercise. For the purpose of this valuation exercise we have assumed that all the terms and conditions as mentioned in the copy of lease deed will be fulfilled by both the Parties (i.e. Lessor and Lessee). If in any case situation so arises that either Lessor or Lessee is not in a position to fulfil any terms and conditions mentioned in the lease deed, then this valuation may adversely affected and we reserve the right to alter our valuation report.

6.3 Any matters related to legal title and ownership are outside the purview and scope of this Valuation exercise. Further, no legal advice regarding the title and ownership of the subject property has been obtained while conducting this valuation exercise. The client / bank is hereby advised to take an appropriate legal opinion on the matter while taking any decision on the basis of this report.

6.4 Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues; we reserve our right to alter the conclusions should any such issues are brought to our knowledge at a later date.

6.5 In the course of this exercise we have relied upon the hardcopy, softcopy, email, documentary and verbal information provided by the client without further verification. We have assumed that the information provided to us is reliable, accurate and complete in all respects. We reserve our right to alter our conclusions at a later date, if it is found that the data provided to us by the client was not - reliable, accurate or complete.

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6. OBSERVATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

6.6 Transaction Costs like Stamp Duty, Registration Charges, Brokerage etc., pertaining to the sale/purchase of this property have not been considered while estimating at the Market Value.

6.7 The subject valuation exercise is based on prevailing market dynamics as on the date of the valuation and does not take into account any unforeseeable developments which could impact the same in the future.

6.8 For this valuation exercise; it is- assumed that title of the property appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. RBSA is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. RBSA, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions and other conditions that may affect the quality of title have not been reviewed.

6.9 All physical measurements and areas are approximate in nature. The actual age is based on information made available to us at the time of inspection. The remaining economic life is approximate in nature, and is based on our professional judgment.

6.10 This valuation is valid only for the purposes mentioned in this report; and neither intended nor valid to be used for any other purposes. This report shall not be provided to any third party or external party without our written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party or external party to whom the report is disclosed or otherwise made available.

6.11 Possession of this report or any copy thereof does not carry with it right of publication. No portion of this report shall be disseminated to third parties through prospectus, advertising, public relations, news or any other means of communication without the written consent and approval of RBSA.

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6. Observations, Assumptions and Limiting Conditions

6.12 We have estimated the Market Value of the subject property based on the facts known to us, information provided by the client/Bank and the assumptions and limiting conditions mentioned herewith. Should there be any reason, fact and information not known at time of preparing this report which adversely affects the marketability/title of the property under valuation, then this valuation stands null and void.

6.13 No soil analysis or geological or other technical studies were made in conjunction with the report, nor was any water, oil, gas or other subsurface mineral and use rights or conditions investigated.

6.14 The inspection, due diligence and condition assessment of the asset was made by individuals generally familiar with valuation assessment of such assets. However, we do not opine on, nor are we responsible for its conformity to any health, safety, environmental or any other regulatory requirements that were not readily apparent to our team of experts during their inspection.

6.15 Other observations, assumptions and limiting conditions, as appropriate, are also mentioned in respective sections of this report and annexure.

6.16 Due to the large land area it is not feasible to physically measure the land area of the subject property. However, we have measured the area with the help of "Google Earth" measurement tool which is almost matches with the documented area, Hence, we have adopted the documented plot area i.e. 81,143.59 SMT for this valuation exercise. Further, it has been leased out to Secure Meters Limited on lease for the long period on nominal ground rent and further for this valuation analysis, the same has been considered equivalent to freehold.

6.17 As per the copy of the sale deed and information provided by the company that the subject property has been allotted for industrial purpose. Hence, we have relied upon the information provided by the company and the valuation has been done considering the subject property as an industrial land.

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6. Observations, Assumptions and Limiting Conditions

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6.18 The physical verification of buildings has been carried out on the basis of approved layout plan provided by the company.

6.19 A copy of the layout plan approved by Executive Engineer, GIDC-Ahmedabad dated 21st February 2017 provided to us; the total built up area of plant building and utility area is 17,318.02 SMT. The sample verification of built up area of the building has been carried out during site visit and it is observed that the said measurements are found in line with the built-up area mentioned in approved layout plan and same has been adopted for this valuation exercise.

6.20 Further as per the approved layout plan, the built up area of the training area is 579.12 SMT. As per the physical measurement of the training area is 1700 SMT. As mentioned in the approved pan, the balance FSI is 109,834 SMT. Hence in such a scenario we have adopted the physical measured area for training area for this valuation exercise. We assume that the client will get permission from concern legal local authcrity for 'As built" plan.

6.21 Moreover, during site visit we have observed that the construction of canteen building is in progress and only plinth level work has been done as on date of valuation. Hence we have exclude the canteen building for this valuation exercise.

6.22 The technical specifications pertaining to buildings & other civil structures viz. set of working drawings (architectural and structural), Foundation Details, Structure wise quantities of major materials viz. Concrete, Reinforcement Steel, Structural Steel, Copies of major Construction Contracts etc. have been sought during course of the exercise. However, the said information has not been made available to us. Hence, we have adopted the technical specification as per our physical inspection

6.23 The year of construction of the buildings has been verbally informed by the company official and same has been adopted for this valuation exercise. The Depreciated Replacement Cost and in turn 'Market Value' of the assets is subject to potential profitability and adequate service potential of subject assets as on the date of valuation.

6.24 We reserve the right to alter our conclusions should any information that we are not aware of at the time of preparing this report come to light that has a material impact on the conclusions herein.

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6. Observations, Assumptions and Limiting Conditions

6.25 This report is further governed by our standard terms and conditions of professional engagement which are herein after:

a. The entire and collective liability of RBSA and / or its Partners, Officers and Executives arising out of or relating to the Valuation and/or other Services provided, regardless of the form of the cause of action, whether in contract, tort (including negligence), statute or otherwise, shall in no event exceed the total professional fees paid to RBSA for this service.

b. Notwithstanding anything to the contrary, RBSA and / or its Partners, Officers and Executives shall not under any circumstance, be liable or responsible for any consequential, incidental, indirect, punitive, exemplary or special damages of any nature whatsoever, or for any damages arising out of or in connection with any bad debts, non-performing assets, any financial loss including that of loss of principal, loss of interest or loss of profit, malfunctions, delay, loss of data, interruption of service or loss of business or anticipatory profits.

c. RBSA and / or its Partners, Officers and Executives accepts no responsibility for detecting fraud or misrepresentation, whether by management or employees of the Client or third parties. Accordingly, RBSA will not be liable in any way from, or in connection with, fraud or misrepresentations, whether on the part of the Client, its contractors or agents, or on the part of any other third party.

d. The Valuation Services (including Deliverables submitted by RBSA hereinunder) are not for the benefit of any third party. RBSA accepts no liability or responsibility to any third party who benefits from, or uses, the Services or gains access to the Valuation.

e. Commencement of Legal Proceeding. Any legal proceeding Client brings arising from, or in connection with, the Services or the Agreement must be commenced within six (6) months from the date when Client become aware of, or ought reasonably to have become aware of, the facts which give rise to the alleged liability and, in any event, not later than one (1) year from the date of the Deliverable which has given rise to the alleged liability.

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6. Observations, Assumptions and Limiting Conditions

f. If Client has any concerns or complaints about the Services, it should not hesitate to discuss them with the officials of RBSA. Any service related issue by Client arising from or in connection with this Agreement (or any variation or addition thereto) shall be brought to the notice, in writing, of RBSA within one month from the date when Client has the knowledge of or ought reasonably to have such knowledge of the facts which give rise to the alleged service related issue and in no event, later than six months from the date of completion of Services.

g. DISPUTE RESOLUTION: Any dispute arising out of the Valuation or other Services rendered shall be referred to the nominated senior representatives of both the Parties for resolution through conciliation. In case, any such difference or dispute is not amicably resolved within forty five (45) days of such referral, it shall be resolved through Arbitration, in India, in accordance with the provisions of Arbitration and Conciliation Act 1996. The venue of the arbitration shall be at Ahmedabad, Gujarat, India. The authority of the arbitrator(s) shall be subject to the terms of these standard terms of service, including the provision of limitation of liability. The proceedings of arbitration, including arbitral award, shall be kept confidential.

h. The User of the report, while having acted on the basis of this report, is deemed to have read, understood and agreed RBSA's standard terms and conditions of business and the assumptions and limiting conditions mentioned in this document.

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Valuation Analysis

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7. Valuation of Industrial Land

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7.1 Area Verification:

As per the copy of Lease Deed, the total plot area of the subject property is 81,143.59 SMT. Due to the large land area it is not feasible to physically measure the land area of the subject property. However, we have measured the area with the help of "Google Earth" measurement tool which is almost matches with the documented area, Hence, we have adopted the documented plot area i.e. 81,143.59 SMT for this valuation exercise.

7.2 Market Survey & Comparable:

- We have inquired with representative of GIDC regarding the availability of vacant plots with GIDC and it has been informed that GIDC have multiple plots available for the allotment.
- As per enquiry with GIDC officer, it reveals that the at present a comparable large size of plots are available with GIDC in nearby of subject property and allotment rate of said plot as on date of valuation is INR 3,780/- SMT. Further, as per the copy of Lease deed 5% frontage charges of the prevailing allotment price up to 50,000 SMT land area and INR 15/- for each SMT then after and same has been adopted to estimate the market value of subject property.
- Further as per the terms and condition mentioned in the lease deed in para of "Assignment to be registered with lessor & Unearned increment "says that" In the event of transfer, assignment, under letting or parting with, there shall be delivered by the lessee at his own expense a notice thereof to the Managing Directors or such officers of the Lessor as the Lessor may direct within twenty days from the date on which the transfer, assignment, under-letting or parting with becomes effective whether by registration thereof under the Indian Registration Act or otherwise, provided that in the event of such transfer, assignment, under letting or parting with fifty percent of unearned increment that may be accrued to the lessee shall be paid by the lessee to the Managing Director of the Lessor, provided further that the unearned increment shall be valued by the Chief Accounts officer of the Lessor and the decision of the chief accounts officer will be binding on lessee."

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7. VALUATION OF INDUSTRIAL LAND

The market value of subject land is estimated as mentioned below :

Particular		Remarks	Unit
Name of Allottee		Secure Meters Limited	
Plot No.		E-566	
Land Area	A	81143.59	SMT
Allotment rate at the time of Allotment in the year 2016-17	B	3 600	INR/SMT
Allotment rate at the time of valuation in the year 2018-19	C	3 780	INR/SMT
Adopted allotment/market rate to estimate the Market Value of Lessee's interest in subject property	D	3 780	INR/SMT
Allotment price of Lessee's Interest in subject property	E = (D X A)	30 67 22 770	INR
Frontage Charge			
Premium for frontage charges of the prevailing allotment price upto 50,000 sq mts	F	0.05	%
Premium for frontage	G = D x F	189	INR/SMT
Premium Amount	H = G x 50000	94 50 000	INR
Premium for frontage charge above 50000 SMT	I	15	INR/SMT
Balance land area	J = A - 50000	31 144	SMT
Premium Amount	K = J x I	4 67 154	INR
Total Allotment price of Lessee's Interest in subject property	L = K + H + E	31 66 39 924	INR
Un earned increment need to be paid by lessees (50% of diff in allotment rate)	M = (C-B)/2	90	INR/SMT
Total Value of Unearned increment	N = M X A	73 02 923	INR
Therefore Market Value of Lessee's interest in the subject property	**O = L - N**	**30 93 37 001**	**INR**
Or Say Market Value of Lessee's interest in the subject property		**30 90 00 000**	**INR**

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7. VALUATION OF INDUSTRIAL LAND

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- As per the data available from the Sub Registrar Office; the Jantry / Guideline value of immovable property (leasehold industrial land and Buildings) situated in Plot No. E-566, behind the Hindustan Coca-Cola Beverages Pvt., GIDC Industrial Estate, Sanand - II, of Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat is works out as follows:

Particular		Remarks	Unit
Name of Allottee		Secure Meters Limited	
Plot No.		E-566	
Land Area	A	81143.59	SMT
Allotment price at the time of valuation in the year 2018-19	B	3 780	INR/SMT
Market Value of Lessee's Interest in subject property	C = A X B	30 67 22 770	INR
Frontage Charge			
Premium for frontage charges of the prevailing allotment price upto 50,000 sq mts	D	0.05	%
Premium for frontage	E = B x 5%	189	INR/SMT
Premium Amount	F = E x 50000	94 50 000	INR
Premium for frontage charge above 50000 SMT	G	15	INR/SMT
Balance land area	H = A - 50000	31 144	SMT
Premium Amount	I = G x H	4 67 154	INR
Therefore Market Value of Lessee's interest in the subject property	**J = I + F + C**	**31 66 39 924**	**INR**
Or Say Market Value of Lessee's interest in the subject property		**31 66 00 000**	**INR**

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7. Valuation of Subject Property

Market Value of Subject Property:

Particular	Market Value (INR Crore)
Market Value of Industrial Land	30.90
Depreciated Replacement Cost of Structure (Refer Annexure - B)	50.61
Market Value of Subject Property	**81.51**

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DISTRESS SALE VALUE

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8. Distress Sale Value

8.1 The Distress Sale Value has to be considered for Cost of Sale processes like Advertisement, Brokerage and a reasonable time period for marketing. In such transactions, payments are deferred in nature and instalments are spread over a period of time. Further the valuation report is issued to the bank for the sale purpose. Bank wants to sale the premises to recover their money. In such type of transactions normally the prospective buyer is in a better bargaining position than the seller. It is virtually a buyer's market. Further, the transaction normally happens in a forced-sale situation wherein the seller has to liquidate by compulsion or is in urgent need of funds. All these result in a distress-sale scenario. In our professional opinion, the distress sale value would be in the range of a discount of 25% to 35% over the market value. Considering average discount of 30% over the market value, the distress sale value would be in the region of approximate INR 57.00 Crore.

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CONCLUSION

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9. CONCLUSION

The Market Value and Distress Value of Industrial Land with allied Construction of M/s Secure Meters Limited situated at Plot No. E-566, Behind Hindustan Coca-Cola Beverages Pvt Limited, GIDC, Sanand – II Industrial Estate of Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat, India. The date of valuation is February 28th , 2019 are as mentioned below:

Market Value	Distress Sale Value
INR 81.51 Crore	INR 57.00 Crore

PART III -Declaration

I/ We hereby declare that-

i) That the information contained in this report and its annexures is true and correct to the best of our knowledge and belief.

ii) That we have no direct or indirect interest in the property valued. That the property was inspected on the date and in the manner as described in the main report.

iii) That this valuation is governed as per our standard terms of professional engagement which are a part of this report.

iv) That we have not been convicted of any offence & sentenced to a term of imprisonment; That we have not been found guilty of misconduct in my / our professional capacity; That we have not verified the legal title of the property.

For RBSA Valuation Advisors LLP

Mitali Shah
Partner
Reg. No.: IBBI/RV/08/2018/10052
Asset Class: Land and Buildings

For RBSA Valuation Advisors LLP

Arpit Sharma
Associate Partner
Reg. No.: IBBI/RV/06/2018/10108
Asset Class: Land and Buildings

For RBSA Valuation Advisors LLP

Vaibhav Kaul
Assistant Manager

RBSA VALUATION ADVISORS LLP

Date : 08th May, 2019

Place: New Delhi

ANNEXURE A

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10. ANNEXURE A

ANNEXURE A

VALUATION REPORT IN RESPECT OF PROPERTIES MORTGAGED TO

State Bank of India, Overseas Branch, New Delhi

Valuation report of Industrial property of M/s Secure Meters Limited

1. Introduction	
a. Name of the Property Owner (with address & phone nos.)	Lessor: Gujarat Industrial Development Corporation Lessee: M/S. Secure Meters Limited Address: Secure Meters Limited situated at Plot No. E-566 Behind Hindustan Coca-Cola Beverages Pvt., GIDC Industrial Estate, Sanand - II, R.S. No. 268/p, 292/p, 293 to 298, 299/p, 338/p, 339/p, 352/p, 354/p, 355/p, 591/p of Village: Hirapur, Taluka: Sanand, District: Ahmedabad, State: Gujarat. (As per the copy of Lease deed vide Reference No. 1920 dated: 21st March 2017) M. 77379 84424 (Mr. Mayur Aswana – Representative of client
b. Purpose of Valuation	Bank Loan or Security Purpose
c. Date of Inspection of Property	28th February,2019
d. Date of Valuation Report	28th February,2019
e. Name of the Developer of Property (in case of developer built properties)	NA

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2. Physical Characteristics of the Property		
a)	Location of the Property	
	I. Nearby landmark	Hindustan Coca-Cola Beverages Pvt. Ltd., Tata Motors Vendor Park, Tata Motors Limited Nano Plant, Ford India Pvt. Ltd, Viega Industries, Posco India Holding Pvt. Ltd. etc. are the famous landmarks to reach the subject property.
	II. Postal Address of the Property	Secure Meters Limited situated at Plot No. E-566 Behind Hindustan Coca-Cola Beverages Pvt., GIDC Industrial Estate, Sanand – II of Village: Hirapur, Taluka: Sanand, District: Ahmedabad - 382110, State: Gujarat
	III. Area of the Plot (supported by a plan)	As per the copy of Lease Deed, the total plot area of the subject property is 81143.59 SMT. Due to the large parcel of land it is not feasible to physically measure the land area of the subject property. However, we have measured the area with the help of "Google Earth" measurement tool which is almost matches with the documented area, Hence, we have adopted the documented plot area i.e. 81143.59 SMT for this valuation exercise.
	IV. Type of Land	Solid Land
	V. Independent access/approach to the property etc.	Yes, there is an independent access available to reach the subject property
	VI. Google Map Location of the Property with a neighborhood layout map	For Google maps Please refer point number 7 of this valuation report
	VII. Details of roads abutting the property	The property under valuation is situated on 45 Mt. Sanad GIDC Road, Which finally meats to Sanand – Viramgam highway
	VIII. Description of adjoining property • Plot No. Survey No. • Ward/Village/Taluka • Sub-Registry/Block • District • Any other aspect	The subject property is surrounded by medium and large-scale industries likes; Tata Motors Vendor Park, Tata Motors Limited Nano Plant, Ford India Pvt. Ltd, Viega Industries, Posco India Holding Pvt. Ltd., Pheonix construction technologies etc.

10. ANNEXURE A

2. Physical Characteristics of the Property	
IX. Plinth Area, Carpet Area, and saleable are to be mentioned separately and clarified	Please refer Annexure B for the building wise built up area
X. Boundaries of the Plot	Actual
East	20.00 Meter U.T. Corridor
West	45.00 Meter Road
North	Plot No. E-567/1
South	Plot No. E-565

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3. Town Planning parameters		
a)	I. Master Plan provisions related to property in terms of land use	As per the copy of lease deed, the subject property is in Gujarat Industrial Development Corporation notified area known as Sanand GIDC and it can be used for industrial purpose
	II. FAR- Floor Area Rise/FSI- Floor Space Index permitted & consumed	As per the copy of building plan approved by GIDC dated 21st February 2017; the Permissible FSI is 1:1.6 and the consumed FSI is 0.15
	III. Ground coverage	As per the copy of building plan approved by GIDC dated 21st February 2017; the Permissible Ground coverage is 40571.80 SMT
	IV. Comment on whether OC- Occupancy Certificate has been issued or not	Details are not available as we have not furnished copy of Occupancy Certificate/Building use permission letter
	V. Comment on unauthorized constructions if any	A copy of the layout plan approved by Executive Engineer, GIDC-Ahmedabad dated 21st February 2017 provided to us; the total built up area of plant building and utility area is 17318.02 SMT. The sample verification of built up area of the building has been carried out during site visit and it is observed that the said measurements are found in line with the built-up area mentioned in approved layout plan and same has been adopted for this valuation exercise. Further as per the approved layout plan, the built up area of the training area is 579.12 SMT. As per the physical measurement of the training area is 1700 SMT. As mentioned in the approved pan, the balance FSI is 109834 SMT. Hence in such a scenario we have adopted the physical measured area for training area for this valuation exercise. We assume that the client will get permission from concern legal local authority for 'As built" plan.
	VI. Transferability of developmental rights if any, Building by-laws provision as applicable to the property viz. setbacks, height restriction etc	Details are not available
	VII. Planning area/zone	As per the copy of lease deed and Sanand GIDC plan the subject property located in Industrial zone
	VIII. Developmental controls	During site inspection we have observed that the subject buildings are constructed as per the building plan approved by GIDC
	IX. Zoning regulations	As per the Sanand GIDC Plan, the subject property falls in Sanand Industrial zone

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	X. Comment on the surrounding land uses and adjoining properties in terms of uses	The nearby plots are either being used for industrial purpose or laying vacant in GIDC, which can be used for industrial purpose
	XI. Comment on demolition proceedings if any	Not Applicable.
	XII. Comment on compounding/regularization proceedings	Not Applicable.
	XIII. Any other Aspect	-
4. Document Details and Legal Aspects of Property		
a)	Ownership Documents i. Sale Deed, Gift Deed, Lease Deed ii. TIR of the property	The following documents have been furnished to us for the verification of ownership of the subject property ▪ Copy of Lease Deed
b)	Name of the Owner/s	Lessor: Gujarat Industrial Development Corporation Lessee: M/S. Secure Meters Limited. (As per the copy of Lease deed vide Reference No. 1920 dated: 21st March 2017)
c)	Ordinary status of freehold or leasehold including restrictions on transfer	The subject property is leasehold land leased by GIDC. Further as per the copy of lease deed, the leasehold rights can be transferred, subject to permission received from GIDC
d)	Agreement of easement if any	Details are not available
e)	Notification of acquisition if any	Details are not available
f)	Notification of road widening if any	It is located within the GIDC
g)	Heritage restriction, if any	Not Applicable
h)	Comment on transferability of the property ownership	As per the copy of lease deed the leasehold rights can be transferred, subject to permission received from GIDC
i)	Comment on existing mortgages / charges / encumbrances on the property, if any	Details are not available

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4. Document Details and Legal Aspects of Property		
j)	Comment on whether the owners of the property have issued any guarantee (personal or corporate) as the case may be.	Details are not available
k)	Building plan sanction: Authority approving the plan - Name of the office of the Authority - Any violation from the approved Building Plan -	The following documents of property have been furnished to us. • Copy of Building plan approved by GIDC dated 21st February 2017. A copy of the layout plan approved by Executive Engineer, GIDC-Ahmedabad dated 21st February 2017 provided to us; the total built up area of plant building and utility area is 17318.02 SMT. The sample verification of built up area of the building has been carried out during site visit and it is observed that the said measurements are found in line with the built-up area mentioned in approved layout plan and same has been adopted for this valuation exercise. Further as per the approved layout plan, the built up area of the training area is 579.12 SMT. As per the physical measurement of the training area is 1700 SMT. As mentioned in the approved pan, the balance FSI is 109834 SMT. Hence in such a scenario we have adopted the physical measured area for training area for this valuation exercise. We assume that the client will get permission from concern legal local authority for 'As built" plan.
l)	Whether Property is Agricultural Land if yes, any conversion is contemplated	The subject property is an industrial land situated in Sanand GIDC
m)	Whether the property is SARFAESI compliant	Details are not available

10. ANNEXURE A

n)	I. All legal documents, receipts related to electricity, Water tax, Municipal tax and other building taxes to be verified and copies as applicable to be enclosed with the report. II. Observation on Dispute or Dues if any in payment of bills/taxes to be reported.	Details are not available We have not been furnished with the copy of Electricity bill, Water Tax Bill, Municipal Tax Bill and any other Building Taxes bill.
o)	Whether entire piece of land on which the unit is set up / property is situated has been mortgaged or to be mortgaged.	The data/information regarding to Mortgage of subject property has been sought during the course of exercise. However, the said information has not been made available to us; hence we are not able comment on the same
p)	Qualification in TIR/mitigation suggested if any.	A copy of TIR has not furnished to us, hence we are not able to comment on same
q)	Any other aspect.	-

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5. Economic Aspects of the Property	
I. Reasonable letting value	I. Not covered in scope of work
II. If property is occupied by tenant - Number of tenants - Since how long (tenant- wise) Status of tenancy right - Rent received per month (tenant-wise) with a comparison of existing market rent	II. The subject property is occupied and used by lessee/owner i.e. M/S. Secure Meters Limited
iii. Taxes and other outings	III. Details are not available
iv. Property Insurance	IV. Property insurance has not been furnished to us
v. Monthly maintenance charges	V. Details are not available
vi. Security charges	VI. Details are not available
vii. Any other aspect	VII. Details are not available

6. Socio-cultural Aspects of the Property		
a)	Descriptive account of the location of the property in terms of social structure of the area, population, social stratification, regional origin, economic level, location of slums, squatter settlements nearby, etc.	The subject property is situated at Sanand GIDC which located in Hirapur Village, which is developing medium and large-scale industries. However, surrounding of the Sanand GIDC has mainly agriculture lands. Further balance details like population, social stratification, regional origin, economic level, location of slums, squatter settlements nearby are not available.
b)	Whether property belongs to social infrastructure like hospital, school, old age homes etc.	

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7. Functional and Utilitarian Aspects of the Property		
a)	**Description of the functionality and utility of the property in terms of:** I. Space allocation II. Storage Spaces III. Utility spaces provided within the building IV. Car Parking facility v. Balconies, etc.	I. The Space allocation based on building plan approved by GIDC. II. Storage spaces available in subject unit. III. Utility spaces available in subject unit. IV. Car parking provided in subject unit. V. Not Applicable.
b)	Any other aspect	-
8. Infrastructure Availability		
a)	Description of aqua infrastructure availability in terms of I. Water supply II. Sewerage/sanitation System Underground or III. Open IV. Storm water drainage	I. Water supply is provided by Sanand GIDC. II. Underground Sewerage/sanitation System are provided. III. Strom water drainage is provided by Sanand GIDC
b)	Description of other physical infrastructure facilities viz. I. Solid waste management II. Electricity III. Road and public transport connectivity IV. Availability of other public utilities nearby	I. Details are not available. II. Electricity is provided by UGVCL. III. Road and public transport connectivity are available. IV. The public utilities are available
c)	Social infrastructure in terms of I. School II. Medical facilities III. Recreational facility in terms of parks and open space	All the basic amenities such as School, Hospitals, Post Office, Bank, Commercial Complexes and Public Transport system are available at an approx. distance of 13 kms from subject property under valuation.

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9. Marketability of the Property		
a)	Marketability of the property in terms of I. Locational attributes II. Scarcity III. Demand and supply of the kind of subject property IV. Comparable sale prices in the locality	I. The subject property is located in Sanand GIDC which is a developing medium and large-scale industries. II. Ample of Industrial plot are available for sale nearby the subject property. III. Ample of Industrial plot are available for sale nearby the subject property which is indicate the supply is higher than demand. IV. As per enquiry with GIDC officer, it reveals that the at present a comparable large size of plots are available with GIDC in nearby of subject property and allotment rate of said plot as on date of valuation is INR 3,780/- SMT. Further, as per the copy of Lease deed 5% frontage charges of the prevailing allctment price up to 50,000 SMT land area and INR 15/- for each SMT then after and same has been adopted to estimate the market value of subject property.
b)	Any other aspect which has relevance on the value or marketability of the property	-

10. Engineering and Technology Aspects of the Property		
a)	Type of construction	Please refer Annexure B
b)	Material & technology used	Details are not available.
c)	Specifications	Please refer Annexure B
d)	Maintenance issues	We have not observed any major maintenance required in the subject building
e)	Age of the building	Please refer Annexure B
f)	Total life of the building	Please refer Annexure B
g)	Extent of deterioration,	During the site inspection we have observed the subject building is maintained

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h)	Structural safety	Details are not available
i)	Protection against natural disaster viz. earthquakes,	Details are not available
j)	Visible damage in the building	During site visit we have not observed any damage in the building
k)	System of air-conditioning	Provided in some of the building
l)	Provision of firefighting	Firefighting is provided
m)	Copies of the plan and elevation of the building to be Included	The following building plan/drawing of subject property have been furnished to us. ▪ Copy of Building plan approved by GIDC dated: 21st February 2017. And rest of plan like footing plan, structural plan etc. are not furnished to us.

11. Environmental Factors	
Use of environment friendly building materials, Green Building techniques if any	Details are not available
Provision of rain water harvesting	Details are not available
Use of solar heating and lightening systems, etc.,	Details are not available
Presence of environmental pollution in the vicinity of the property in terms of industry, heavy traffic etc.	Details are not available

12. Architectural and aesthetic quality of the Property	
Descriptive account on whether the building is modern, old fashioned, plain looking or decorative, heritage value, presence of landscape elements etc.	The subject property is an industrial property and it is constructed as per requirement of industries

10. ANNEXURE A

13. Valuation	
Methodology of valuation – Procedures adopted for arriving at the valuation. Valuers may consider various approaches and state explicitly the reason for adopting particular approach and assumptions made, basis adopted with supporting data, comparable sales, and reconciliation of various factors on which final value judgment is arrived at.	Please refer Point No. 5.0 in the attached valuation statement
Prevailing Market Rate/Price trend of the Property in the locality/city from property search sites viz magickbricks.com, 99acres.com, makaan.com etc. if available	As per enquiry with GIDC officer, it reveals that the at present a comparable large size of plots are available with GIDC in nearby of subject property and allotment rate of said plot as on date of valuation is INR 3,780/- SMT. Further, as per the copy of Lease deed 5% frontage charges of the prevailing allotment price up to 50,000 SMT land area and INR 15/- for each SMT then after and same has been adopted to estimate the market value of subject property

13. Valuation	
Guideline Rate obtained from Registrar's office/State Govt. Gazette/ Income Tax Notification	INR 3,780/- per SMT (For Land only)
Summary of Valuation	
i. Guideline Value	
Land	INR 30.90 Crore
Building	INR 50.61 Crore
ii. Fair Market Value	INR 81.51 Crore
iii. Forced/ Distress Sale value	INR 57.00 Crore
a. In case of variation of 20% or more in the valuation proposed by the valuer and the guideline value provided in the State Govt. notification or Income Tax Gazette justification on variation has to be given.	Jantry value is calculated based on the guideline rate prescribed by Gujarat Industrial Development Corporation (GIDC) for the purpose of estimation of stamp duty while Market value arrived for the subject property is based on prevailing market rate and transaction in the vicinity of the subject property.
b. Details of last two transactions in the locality/area to be provided, if available.	Please refer Point Number 7.0 of this Valuation report

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14. Declaration

I hereby declare that:

i. The information provided is true and correct to the best of my knowledge and belief.

ii. The analysis and conclusions are limited by the reported assumptions and conditions.

iii. I/we have read the Handbook on Policy, Standard and Procedures for Real Estate Valuation by Banks and HFIs in India, 2011, issued by IBA and NHB, fully understood the provisions of the same and followed the provisions of the same to the best of my ability and this report is in conformity to the Standards of Reporting enshrined in the above Handbook.

iv. I/we have no direct or indirect interest in the above property valued.

v. I/we my authorized representative by the name of Kalpesh Sureja & Saurabh Upadhyay who is also a 'valuer', has inspected the subject property on 28th February 2019.

vi. I am a registered Valuer under Section 34AB of Wealth Tax Act, 1957, Category...I... for valuing property up to any value.

vii. I/we have not been depanelled or removed from any Bank/Financial Institution/Government Organization at any point of time in the past.

viii. I/we have submitted the Valuation Report (s) directly to the Bank.

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15. Enclosures	
Layout plan sketch of the area in which the property is located with latitude and longitude	Please refer point number 2.0 & 3.0 for the Latitude, Longitude and Google image of the subject property respectively
Building Plan	The following building plan/drawing of subject property have been furnished to us. ▪ Building plan approved by GIDC dated 21st February 2017
Floor Plan	
Photograph of the property (including geo-stamping with date) and owner (in case of housing loans, if borrower is available) including a "Selfie' of the Valuer at the site	Please refer Point Number 3 of this valuation report.
Certified copy of the approved / sanctioned plan wherever applicable from the concerned office	The following building plan/drawing of subject property have been furnished to us. ▪ Building plan approved by GIDC dated 21st February 2017
Google Map location of the property	Please refer point number 7 of this valuation report.
Price trend of the Property in the locality/city from property search sites viz Magickbricks.com, 99Acres.com, Makan.com etc	Please refer entire point number 7 of this valuation report.
Any other relevant documents/ extracts	The following list of documents provided to client/bank ▪ Lease Deed ▪ Building plan approved by GIDC dated 21st February 2017

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ANNEXURE B

11

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Sr. No.	Building Name	Built-up Area	Year of Construction	Total Gross Current Replacement Cost	Depreciated Replacement Cost
		In SMT		In INR	In INR
1	Plant 1	6397.16	2018	14 52 89 000	14 18 38 000
	Type:- Composite Structure Walls :- Brick masonary walls, Aluminum cladding and glass facade Roofing:- Precoated GI sheet Roofing supported on MS Truss Flooring:- Industrial tiling Finishing:- Partition, false ceiling				
2	Moulding Plant	6038.64	2018	15 08 61 000	14 72 78 000
	Type:- Composite Structure Walls:- Brick masonary walls, Aluminum cladding and glass facade Roofing:- Precoated GI sheet Roofing supported on MS Truss Flooring:- Industrial tiling Finishing:- Partition, false ceiling				
3	Store And Ware House	3632.86	2018	8 66 33 000	8 45 75 000
	Type:- Composite Structure Walls : Brick masonary walls, Alluminium cladding and glass facade Roofing:- Precoated GI sheet Roofing Supported by MS Truss Flooring:- Industrial tiling Finishing:- Partition, false ceiling				
4	Utility Area	1249.36	2018	1 78 76 000	1 74 51 000
	Type:- RCC + Steel Structure Walls:- Brick masonary walls Roofing:- Precoated GI sheet Roofing supported on MS Truss Flooring:-Tiling+ CC Flooring				

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Sr. No.	Building Name	Built-up Area	Year of Construction	Total Gross Current Replacement Cost	Depreciated Replacement Cost
		In SMT		In INR	In INR
5	Visitor Area	1701.47	2018	2 97 55 000	2 90 48 000
	Type:- RCC + Steel Structure Walls:- Brick masonary wall Roofing:- Precoated GI sheet Roofing Supported by MS Truss Flooring:- Tiling + CC Flooring				
6	Security Cabin	20.00	2018	2 13 000	2 09 000
	Type:- RCC Frame Structure Walls:- Brick masonary walls Roofing:- RCC Slab Roofing Flooring:- Vitrified tiles Flooring				
7	Roads	14389.22	2018	5 88 24 000	5 68 63 000
	Type:- RCC Road				
8	Boundary Wall	1183.20	2018	48 37 000	46 76 000
	Type:- Steel Structure with open electric cable				
9	200 KL Under Ground water tank	120.00	2018	20 44 000	19 76 000
	Type:- RCC under ground structure				
10	75 KL STP Civil work	75000.00	2018	93 68 000	90 56 000
	Type:- RCC structure				
11	Miscellaneous work and surface development	47821.29	2018	1 35 76 000	1 31 23 000
	Type:- Backfilling of area, RCC drain and trench work for plant				
	Total Amount			**51 92 76 000**	**50 60 93 000**
	Or say				**INR 50.61 Crore**

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