

4.0 Situation & Location

The subject property is situated in GIDC, Sarigam Industrial Area, Off Bhilad- Sarigam-Fansa Road, Sarigam, Gujarat. The subject property is situated in an industrial area of Sarigam, Gujarat having middle class locality. The subject plot is leasehold. The subject property is located about 6-7 km away from Bhilad railway station. All the basic amenities like schools, hospitals, marketplaces, offices, etc. are within near proximity of 5-6 km of the subject property. The area is well connected by local buses, private vehicles & rickshaws. The subject property is within the limits of GIDC, Sarigam Industrial Area.

The property in question is surrounded by (As per documents)

On or towards the North by	: By Plot No. 2817 & GIDC Boundary
On or towards the South by	: By Plot No. 2701 and 16.00 mtr wide road
On or towards the East by	: By 16.00 Mtrs wide Road
On or towards the West by	: By 16.00 Mtrs wide road and Survey No. 446.
Landmark	- Near Alchemie Industries
Street	- Off. Bhilad Sarigam-Fansa Road
Latitude and Longitude	- 20.307670, 72.853035

5.0 Land Area and Type of Construction

Land

Total area of the land as per the agreement provided to us is 25227 smt., which is considered for purpose of the valuation.

Note : It is observed at the time of inspection that, Plot no. 2816 & 2817/2 are internally amalgamated.

Building

The total built-up area as per our inspection & sanctioned plan provided to us is 13,736.52 smt. which is considered for valuation.

The bifurcation of area are as follows:

#	Description	Floors	Built up area Smt.	Year of construction (site information)
1.	Main Plant Building (Liquid stabilizer Plant)	Ground	3,273.23	2013
2.	Boiler Shed	Ground	50.00	2013
3.	Admin Building	Ground	255.85	2013
		First	255.85	2013
		Second	255.85	2013
4.	CS & CZ Plant	Ground	1,245.50	2022
		First	1,245.50	2022
5.	RM Store Shed	Ground	818.43	2019
6.	Finished goods Shed-1	Ground	2,338.20	2019
7.	Finished goods Building-2 (Part)	Ground	649.76	2022
		First	649.76	2022
8.	Finished goods Building-2 (Part)	Ground	917.34	2022
9.	Finished Goods shed-3	Ground	1,716.00	2023
10	Sodium Perchlorates Store	Ground	35.27	2013
11	Security Office- (3 nos.)	Ground	29.97	2013
Total built-up area			13,736.52	

As per site information, the structures were constructed in the year 2013, 2019, 2022, 2023. Hence the age of the structures is 10,4,1 and nil years with balance useful life of 40, 46, 49 and 50 years respectively, subject to regular maintenance and repairs.

The details of the structure are as follows:

Description	Floors	Structure	Roofing	Type of walls	Type of ceiling	Flooring-	Type of internal paint	Doors	Window	Type of external paint	Roof height-in Feet	Property description
Main Plant Building (Liquid stabilizer Plant)	Ground	3' high RCC plinth & RCC frame	GI Sheet roofing supported by MS structure	15' brick masonry wall & above GI sheet cladding	-	Trimix	Lime wash	-	RCC frame jali windows & aluminium framed fixed glass windows	Cement paint	41' at the centre	area consists of production, raw material store
Boiler Shed	Ground	2' high RCC plinth & MS frame	GI Sheet roofing supported by MS structure	Pre-coated GI sheet cladding	-	PCC	-	-	-	-	15' at the higher side	

Description	Floors	Structure	Roofing	Type of walls	Type of ceiling	Flooring-	Type of internal paint	Doors	Window	Type of external paint	Roof height-in Feet	Property description
Admin Building	Ground	RCC frame	RCC slab	Brick masonry wall	Gypsum	Vitrified tiles	OBD	Wooden framed with Glass door	aluminium framed glass sliding windows	Cement paint	12'	Ground floor area consists of reception, HR/Admin Office, Dining hall & toilet blocks
	First	RCC frame	RCC slab	Brick masonry wall	Gypsum	Vitrified tiles	OBD	Wooden framed with Glass door	Aluminium framed glass sliding windows	Cement paint	12'	First floor consists of two nos. director cabin, accounts dept., technical service dept., project head cabin, conference room, pantry & toilet block
	Second	RCC frame	RCC slab	Brick masonry wall	Neeru	Vitrified tiles	OBD	Wooden framed with Glass door	aluminium framed glass sliding windows	Cement paint	12'	Second floor area consists of store, record area, & toilet block
CS & CZ Plant	Ground	RCC frame	RCC slab	Brick masonry wall	Neeru	Production area- epoxy & office area- Vitrified tiles, Store, Panel- PCC flooring	OBD	aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	12'	Ground floor consists of chief operating office cabin, engineering storeroom, Electrical panel room & Production area
	First	RCC frame	RCC slab	Brick masonry wall	Neeru	R&D- vitrified tiles & production area- epoxy	OBD	aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	12'	First floor consists of tow nos. R&D & Production area
RM Store Shed	Ground	RCC frame	GI Sheet roofing supported by MS structure	15' high Brick masonry wall & above Pre-coated GI sheet cladding	Neeru	Trimix	Lime wash	-	RCC frame jali windows & aluminium framed fixed glass windows	Cement paint	25' at the centre	Area consists of row material & finished goods area

Description	Floors	Structure	Roofing	Type of walls	Type of ceiling	Flooring-	Type of internal paint	Doors	Window	Type of external paint	Roof height-in Feet	Property description
Finished goods Shed-1	Ground	MS frame	GI Sheet roofing supported by MS structure	GI sheet cladding	-	Trimix	-	-	-	-	25' at the centre	Area consists of raw material & finished goods area
Finished goods Building-2 (Part)	Ground	RCC frame	RCC slab	Brick masonry wall	Neeru	Finished goods, RM store-trimix, QA & QC dept., changing room-vitrified tiles	OBD	MS rolling shutter & Aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	15'	Ground floor area consists of finished goods, RM store, QA & QC dept., changing room
	First	RCC frame	GI Sheet roofing supported by MS structure	Brick masonry wall	-	Trimix	OBD	aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	15' at the centre	First floor area consists of printing area, packing material store
Finished goods Building-2 (Part)	Ground	RCC frame	GI Sheet roofing supported by MS structure	Brick masonry wall	Neeru	Trimix	OBD	MS rolling shutter	aluminium framed glass sliding windows	Cement paint	30' at the centre	Ground floor area consists of finished goods, RM store & toilet block
Finished Goods shed-3	Ground	MS frame	GI Sheet roofing supported by MS structure	Two side GI sheet cladding	-	Trimix	-	-	-	-	25' at the centre	Area consists of raw material & finished goods area
Sodium Perchlorates Store	Ground	RCC frame	RCC slab	Brick masonry wall	Neeru	PCC	Lime wash	aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	10'	
Security Office- (3 nos)	Ground	RCC frame	RCC slab	Brick masonry wall	Neeru	Vitrified tiles	OBD	aluminium framed with glass door	aluminium framed glass sliding windows	Cement paint	10'	

Compound Wall

- It is provided with brick masonry walls with three mild steel gates.
- The height of the compound wall is 6'.
- It is provided with PCC & RCC flooring inside the compound walls.

6.0 Limiting conditions

- The ownership rights of the party to the subject property are not verified by us nor is it in our scope of work. The bank may verify the same as per legal title search.
- The subject property is inspected by us based on the sole representation of Mr. Vijay Patel (Contact no. 9323741929), who has identified and shown us the property. The inspection of this particular property by this representative is done on the instructions of the bank. Independent verification of the land parcels is not in our scope of work. The same may be verified by the bank through an approved surveyor.
- Commencement certificate, occupancy certificate and building completion certificate are not made available for our perusal.
- Structural audit report is not made available for our perusal.
- Environmental clearance certificate is not made available for our perusal.

7.0 Assumptions

- The ownership of the subject property is undisputed in favour of the party and is unencumbered.
- The subject property is identified correctly by representative Mr. Vijay Patel (Contact no. 9323741929), at the time of inspection.
- Commencement certificate, occupancy certificate and building completion certificate are obtained from competent authority.
- The structures considered for valuation are constructed as per sanctioned building plans.
- Property is vacant and available free in hands of owner as on valuation date.
- Structural audits are done regularly, and preventive maintenance is carried out.
- The subject property is free from all encumbrances.
- The company has obtained all required environmental clearance certificates.
- While assessing market scenarios, a stable outlook has been considered. Force majeure/ pandemic situation is not considered.

8.0 Basis of Value

Market Value

Market Value is the 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.

Premise of Value

Current Use

9.0 Approach to Valuation

Land – Market Approach

The market approach provides an indication of value by comparing the subject property with identical or comparable properties for which price information is available.

Building – Cost Approach

The cost approach provides an indication of 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. This approach provides an indication of value by calculating the current replacement cost of the subject property and making deductions for physical deterioration and all other relevant forms of obsolescence.

Replacement cost is defined as the cost and overhead that would be incurred in constructing an improvement having the same utility as the original, without necessarily reproducing exactly the same characteristics of the property, but using today's materials, labour, and building techniques. In other words, replacement cost represents the cost to create an equally desirable substitute property.

The Replacement cost is used as the basis for the cost approach in most appraisal situations where cost is considered an appropriate measurement of value. Replacement cost new is generally applicable to most classes of property and leads to a greater degree of uniformity and equity in assessed values.

Once replacement cost new has been calculated, depreciation must be estimated in order to arrive at a current value. Depreciation is defined as a loss in value due to any cause. Land does not depreciate, only improvements. Land may suffer value loss, but not due to depreciation.

The economic principle of supply and demand provides a framework for understanding how the market works. The interaction of supply and demand factor determines property value.

10.0 Valuation Analysis

To arrive at comparable rates for land, we have made local level inquiries with agents dealing in such properties, offers of land parcels for sale in the area, local information, and our own database. We have also considered the shape and size of the subject property, access from main road and demand & supply of industrial plots in the area. The range of industrial land rates in the area range between ₹9,500 to ₹10,500 per smt., considering situation, location, size, and shape of the plot etc.

The land rate for the subject property is hence adopted as ₹10,000 per smt.

Land Value

$$25227 \text{ smt.} \times ₹10,000 = ₹25,22,70,000 \text{ (I)}$$

The cost of construction of structures is as follows:

#	Description	Floors	Built up area Smt.	Replacement Cost ₹	Value after Depreciation ₹
1.	Main Plant Building (Liquid stabilizer Plant)	Ground	3,273.23	6,87,37,864	5,63,65,048
2.	Boiler Shed	Ground	50.00	8,25,000	6,76,500
3.	Admin Building	Ground	255.85	53,72,884	44,05,765
		First	255.85	53,72,884	44,05,765
		Second	255.85	53,72,884	44,05,765
4.	CS & CZ Plant	Ground	1,245.50	2,36,64,561	2,32,38,599
		First	1,245.50	2,36,64,561	2,32,38,599
5.	RM Store Shed	Ground	818.43	1,55,50,200	1,44,30,586
6.	Finished goods Shed 1	Ground	2,338.20	4,09,18,483	3,79,72,352
7.	Finished Goods Building 2 (Part)	Ground	649.76	1,23,45,345	1,21,23,129
		First	649.76	1,10,45,835	1,08,47,010

#	Description	Floors	Built up area Smt.	Replacement Cost ₹	Value after Depreciation ₹
8.	Finished goods Building 2(Part)	Ground	917.34	1,69,70,790	1,66,65,316
9.	Finished Goods shed-3	Ground	1,716.00	2,91,72,000	2,91,72,000
10.	Sodium Perchlorates Store	Ground	35.27	5,99,617	4,91,686
11.	Security Offices	Ground	29.97	5,09,490	4,17,782
TOTAL			13,736.52	26,01,22,396	23,88,55,899

Depreciated Replacement Cost of structures = ₹ 23,88,55,899 (II)

Value by Cost Approach is subject to potential profitability.

11.0 Valuation

Description	Market Value (₹)
Land	25,22,70,000
Building	23,88,55,899
Total	49,11,25,899
Say	49,11,00,000

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Forced Sale/ Distress Value

The market value given above may be applicable in a perfect market scenario. In conditions where the bank wishes to realize its dues from sale of the property by initiating recovery proceedings, this market price may not be applicable. This is because typically, property payments are deferred over a period of time and paid in instalments. When the lender wishes to sell an enforced property, payment is usually expected immediately and in one go. This may not be possible in a far from ideal property market. It is a known fact that sales conducted by any enforcing authority generally fetch a value much lower than what may be commanded in the market. Consequently, there is a gap between the market value of the property and what may be realized by sale. This can only be projected as an opinion as various factors come into consideration when assessing the realizable value such as market forces, attitude, and cooperation of the borrower etc.

Considering the property in question, we opine that the forced sale value may be 15% - 25% less than the market value. A discount of 20% is thus considered for the purpose of this valuation.

The forced sale or distress value of the subject property is calculated at ₹ 39,28,80,000 say ₹ 39,29,00,000(Rupees Thirty-Nine Crore Twenty-Nine Lakh Only).

12.0 Marketability

GIDC, Sarigam Industrial Area, Off Bhilad- Sarigam-Fansa Road, Sarigam, Gujarat. There are lots of industries have been set up in this area like Kable Pack Industries, Allbright Packaging, Maars Ink Solutions, etc. Due to market trend, demand for industrial plot for sale is good. In our opinion, and considering the trends as exist in the area as on valuation date, the subject property would have marketable with average selling period of approximately 10 to 12 months. This is of course subject to conditions precedent of seller's and buyers' requirement and market trends in the area at the time of sale.

CAVEATS & DISCLAIMERS

1. The statements of fact presented in the report are correct to the best of the valuer's knowledge and belief.
2. The analysis & conclusions are limited only by the reported assumptions & conditions.
3. The valuer has no pecuniary interest in the subject property.
4. This report is made of the use of Bank and neither the whole nor any part of the content of this valuation may be published in any manner without the written consent of the valuer.
5. Possession of any copy of this report does not carry with it the right of publication, nor may be used for any purpose by anyone, except the addressee, without the previous written Consent of the valuer, and in any event, only may be revealed in its entirety.
6. This report may not be reproduced in electronic form & only signed scanned report in original is considered valid for the stated purpose.
7. The valuer's fee is not contingent upon any aspect of the report.
8. The valuer's authorized representative has made a personal inspection of the property.
9. No one, except those specified in the report, has provided professional assistance in preparing the report.
10. The property is identified by the owner's representative, on the instructions of the bank.
11. This property has been appraised as though free of liens and encumbrances.
12. The physical condition of the improvements was passed on visual inspection. No liability is assumed for the soundness of the structure since no engineering tests were made of the buildings.
13. Both legal description and dimension are taken from sources thought to be authoritative, however, no responsibility is assumed for either unless a survey, by a competent surveyor or engineer, is furnished to the valuer.
14. This report is valid only subject to a legal search furnished by the Bank's lawyer or legal advisor, ascertaining the ownership & genuineness of the document and clear & marketable title in the name of the present owner/owners.
15. No responsibility is to be assumed for matters legal in nature, nor is any opinion of title rendered by this report, nor fake property documents. Good title is assumed. Bank's advocate must verify the title deed.

16. It is assumed that the borrower has submitted the original registered documents of the said property to the bank, duly signed on each page in presence of the bank manager and that the borrower has currently not pledged this property to other bank/financial institution.
17. 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.
18. In no events shall the valuer be held responsible or liable for special, direct, or consequential damages, as the assignment has been completed with best efforts, available knowledge & in good intentions following professional ethics.
19. Valuation findings are subjective and time frame related. The validity of this appraisal is on valuation date.
20. In case of any dispute on legal matter, jurisdiction will be Mumbai Courts only. The valuer, by reasons of this report, is not liable to give testimony in court with reference to the appraised property unless arrangements for such contingency have been previously agreed upon.

We hereby declare that:

1. Our representative Mr. Suraj Utekar inspected the property on 12/06/2023.
2. We have no direct or indirect interest in the property valued.
3. The information furnished in the report is true and correct to the best of our knowledge and belief.

SUMMARY

1. The market value of the property being land & building located at Plot No.2816, Survey No. 431/P, 432/P And 433/P Of Village Fansa, Sarigam Industrial Estate, GIDC, Off Bhilad Sarigam-Fansa Road, Sarigam, Taluka Umbergaon, District Valsad, State Gujarat- 396 155 as on date of valuation is estimated at ₹ 49,11,00,000(Rupees Forty-Nine Crore Eleven Lakh Only), which is fair and reasonable, to the best of our knowledge and understanding.
2. The distress value of the property, in our opinion, as on date of valuation is calculated ₹ 39,29,00,000 (Rupees Thirty-Nine Crore Twenty-Nine Lakh Only).
3. The above report is based upon the information furnished by the bank/owner of the property, perusal of the relevant documents produced before us and independent market feedback.
4. Value varies with the purpose and date. This value should not be referred for any purpose other than mentioned in this report.

Date : 15TH June 2023.

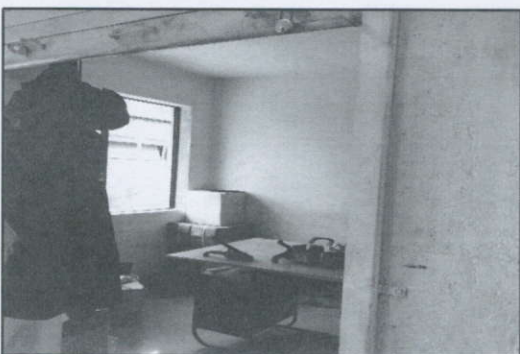
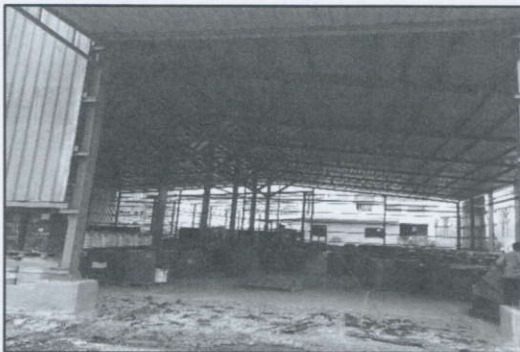
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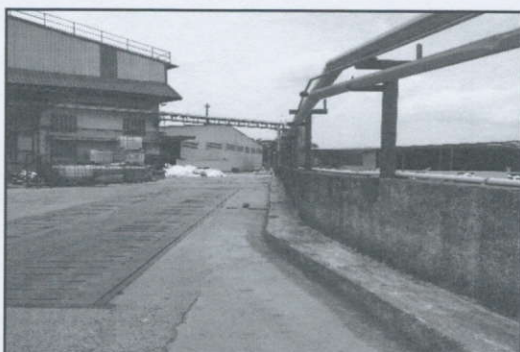
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Manoj Sathe
Technical Manager (L&B)

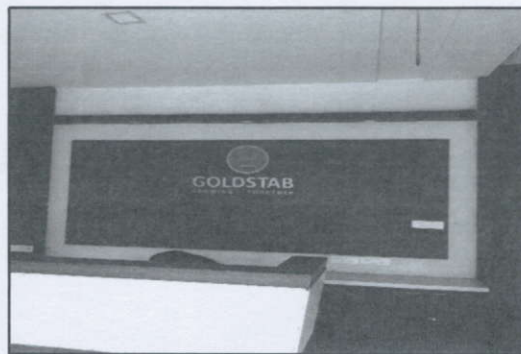
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Location

