

VALUATION REPORT FOR LAND ASSETS OF JAWAHARLAL NEHRU PORT TRUST

FOR
THE FIXATION OF SCHEDULE OF RATES OF
THE PORT TRUST LAND

June 2018

Mumbai, India



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<ul style="list-style-type: none"> • Market Research by the means of Local Market Survey • IGR Website • Ready Reckoner for Land Rates • Information/ Details provided by the JNPT • CIDCO's Methodology by Verbal Interaction 	

Date: 28TH March 2019

VALUATION SUMMARY

Property valued	Non Contiguous land belonging to JNPT, along with Certain Structures at Village Nhava- Sheva, Tal- Uran, Dist – Raigad, Navi Mumbai.				
Owner	Jawaharlal Nehru Port Trust.				
Location	Located off SH – 54, Uran.				
Nature of assignment	Fair Market value of Land Assets of JNPT				
Valuation Date	June 2018.				
FAIR MARKET RATE AND RENTAL					
DESCRIPTION		RESIDENTIAL	COMMERCIAL	WAREHOUSING & STORAGE	OTHER PORT RELATED ACTIVITY
LAND OUTSIDE CUSTOM BOUND AREA					
	LAND RATE (Rs./ sq. m.)	9,000	27,000	21,600	9,000
LAND	RENTAL (Rs./ sq. m./month)	45	135	108	45
BUILDING/ DEVELOPMENT CHARGES	RENTAL (Rs./ sq. m./month)	44	59	33	44
LAND INSIDE CUSTOM BOUND AREA –20% Higher than the rates outside custom bound area					

FOR KANTI KARAMSEY & CO.

KUNAL K VIKAMSEY, MRICS

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Govt. Registered Valuer, Regd. No. I/360 of 1988, u/s 34AB of Wealth Tax Act, 1957.

1. INTRODUCTION

1.1 Instructions

Kanti Karamsey & Co., referred as "Valuers", has been appointed by '**Jawaharlal Nehru Port trust (JNPT)**', referred to as the "JNPT" to carry out the assignment of 'Valuation of Land Assets' of J.N.P.T. at post Nhava – Sheva, Tal – Uran. Dist – Raigad which involves Valuation of Land and Structures belonging to JNPT.

1.2 Date of Valuation

The Physical Inspection was carried out on 19th to 23rd June 2012. & 18th April 2018.

1.3 Documents Provided

- Land use Plan of JNPT
- Statement of Structure / buildings of JNPT.
- Details of Highest Tender Cum Auction in the recent past.

1.4 Purpose of Valuation

It is understood that the valuation is required by JNPT for fixation of **Schedule of Rate** for Port Trust land assets as per the Land Policy issued by the Ministry of Shipping, Govt. of India as on June 2018.

2. ABOUT JAWAHARLAL NEHRU PORT TRUST (JNPT)

History

Nhava Sheva is located on the [Konkan] mainland across from the island city of Mumbai. Spread over 10 square kilometres (2,500 acres), it was developed to relieve pressure on Mumbai Port.^[4] It was inaugurated on May 26, 1989. It is one of the largest ports in the world.

Construction of Nhava Sheva port was originally planned in 1965. The original plan envisioned the port for use to import food grains, since India then faced a major food shortfall. Following the Green Revolution in India, India gained vast surplus food grain production capacity. So the plans for the port shifted focus to container traffic.

Description

Nhava-Sheva port is run by the **Jawaharlal Nehru Port Trust (JNPT)**, an autonomous corporation wholly owned by the Government of India. The port was created to relieve pressure on Mumbai Port, then the pre-eminent port of India. It also enabled importers to avoid the octroi tax levied on goods entering Mumbai city by the Brihan Mumbai Municipal Corporation, since it falls outside the jurisdiction of the municipal corporation.

A ferry service operates between Nhava Sheva and the Gateway of India in downtown Mumbai. The Central Industrial Security Force is responsible for security of the port.

Nhava Sheva is well connected to major highways and rail networks in India. The closest suburban railheads are CBD Belapur and Panvel. The port handles 65% of India's container traffic has an average berthing period of 37 hours which is considered very long. The GTI terminal of the port has set national record for berth productivity of 235.92 moves/hour on 25th January 2010 on vessel M.V Ever Racer (WCIX service). The entire operation was performed in just 13 hours and 10 mins, during which 3295 moves (4136 TEUs) were performed. The expansion plans for the port, include extensive new terminal access points and connecting roads.

Traffic

Major exports from Nhava Sheva are textiles, sporting goods, carpets, textile machinery, boneless meat, chemicals and pharmaceuticals. The main imports are chemicals, machinery, plastics, electrical machinery, vegetable oils and aluminium and other non-ferrous metals. The port handles cargo traffic mostly originating from or destined for Maharashtra, Madhya Pradesh, Gujarat, Karnataka, as well as most of North India.

3. SUBJECT PROPERTY

3.1 Location

Geographically located along the Arabian Sea (West Coast of India) the subject property is located to North Eastern Part of Raigad district, which is located at a distance of 14 to 15 kms from Uran town & 20 to 22 kms from Panvel and Belapur. It is a distance of approximately 20 to 25 kms from Sanctioned International Airport, Navi Mumbai.

3.2 Area Schedule

Land

The entire land area of JNPT, both custom and non-custom bond areas except the SEZ area is divided into the different zones for ease of administration. JNPT Special Economic Zone area has been kept out of study since it's a predefined self – operational unit. Hence, its area has been excluded from the JNPT. The total land area of this zone is 270.5ha.

1. Zone 1. Custom bond areas are included in Zone-1
2. Zone 2. Green Zone
3. Zone 3. Existing Oil Storage
4. Zone 4. Proposed Industries
5. Zone 4A. Proposed Industries and proposed eco park
6. Zone 5. Existing CFS
7. Zone 6. Township area
8. Zone 7. Villages and land allocated for R & R purpose
9. Zone8. Mangroves

The total area available in Zone 4A and 4B is around 1173.81 hectares, of this area, 205.61 hectares are proposed to be left out for Eco Park. Excluding these areas from the available areas leaves 968.2 hectares for industries and associated facilities development.

The development is proposed to happen in three phases

- 1) Phase -1 (2017-2025)
- 2) Phase -2 (2026-2030)
- 3) Phase -3 (2031-2045)

As per instruction of JNPT, we are doing valuation of Phase-1 only.

As per land use plan provided, it is understood the whole area is divided into 2 hectare plots is at least served by a:

- 1) Main arterial roads in the 70mt. corridor.
- 2) Sub arterial road in 50 mt. corridor.
- 3) Collector roads in 30 mt. corridor.

As per Comprehensive Land Use plan provided by JNPT. Total area to be developed and the sub division of the land according the utility in phase 1-A from 2017-2025. This is due to the shape of the land pockets available and their distribution in hectare wise.

Area Statement With Land Use		
Sr. No.	Land Use	Land Area in Hectare
1	Agro Based Storage	5.99
2	Bio Diesel	15.35
3	Car Storage	6.26
4	Cement Silo	2.46
5	Cold Storage	38
6	Container Repair	9.19
7	Container Scanner	5.68
8	Parking	27.51
9	Port User Residential	13.80
10	PSP	8.84
11	Public Utility	35.28
12	Research Labs	8.59
13	Retail Warehousing	64.89
14	Petrol Pump	4.62
15	Social Commercial	8.79
16	Water body	2.73
17	Green Buffer	5.88
18	Roads	59.72
	TOTAL	323.58

As per area statement of Phase I and keeping in view the above land use provided by JNPT, we have segregated them into four broad land-use heads – Residential, Commercial, Warehouse/ Storage & Other Port Related Activity as tabulated overleaf.

Nature of land	Activity
Residential	Port & Port User Residential
Warehousing / Storage	Agro Based Storage, Bio Diesel, Car Storage, Cement Silo, Cold Storage, Container Repair, Container Scanner, Parking, Public Utility, Research Labs, Retail Warehousing,
Commercial	Social Commercial, Petrol Pump & Public and Semi Public (PSP)
Other Port Related Activities	Land required for Port related activities for storage of goods for import and export and other Port facilities

3.3 Site Analysis

The land at JNPT is broadly classified under two heads.

1. *Area inside custom Boundary*
2. *Area outside custom Boundary*

The total area available in Zone 4A and 4B is around 1173.81 hectares, of this area, 205.61 hectares are proposed to be left out for Eco Park Excluding these areas from the available areas leaves 968.2 hectares for industries and associated facilities development.

1. Inside the Custom Boundary

Entrance is by means of huge security gate. The area inside the port is under top security and safety measures. The roads are of good quality which are paved partly by Asphalt, Concrete where as some areas are paved with concrete paver blocks. There are proper Rotary Junctions & proper indications for smooth traffic movement. The area mainly includes Stacking area, Loading / unloading areas, jetty berths, Roads, ICD area, RMGC area (Rail mount Gantry crane area), RTG area (Rubber Tyre Gantry area), Operations office & some structures within the premises.

2. Area outside the Custom Boundary

The roads are mostly as asphalt paved & partly concrete paved. It includes Operational Activities, Commercial Facilities, Social facilities, Public Utilities Township

Area, CISF barracks, Certain future development areas etc. Township Area is well developed & well maintained locality with staff quarters. Multi Purpose hall, Club house, Schools, Maintenance building etc.

3.4 Surrounding Developments

Strategically located & developed along the western coast. The said property is in close proximity to Butcher Islands & Mumbai city via sea route. It is located in radius of 4 to 6 kms from the Developing Dronagiri Node falling under CIDCO, Proposed NMSEZ is also closely bound. All major civic amenities are available at Panvel & Uran cities which are at a distance of 15 to 18 kms. Basic amenities like Banks, Hotels, Primary Schools are available with 6 to 8 kms at Jaskhar and Sonari Village. Major Hospitals like Paramount, Lifeline are at Panvel whereas Pallavi & Nakhawa Hospitals are available at Uran. Educational Institutes such as C.K. Thakur College, MGM Educational Institute, Mahatama College, ASC College, Veer Vajekar Collage and Primary & Secondary Convent Schools are available at Panvel & Uran.

Further the proposed projects like Nhava – Sewri Sea link & Uran Railway Station ensure better connectivity to the locality. Companies like Indian Oil Terminals, Bharat Petroleum Plant, MSEB power generation unit, ONGC , Reliance Oil Depots , Logistics & Warehousing Zone occupants like CWC , Balman Lawrie, Gateway Distriparks, CMA CGM, Ameya Logistics are located is radius of 6 to 8 kms from the port premises.

The CIDCO Warehousing & logistics Zone includes logistics parks, warehouse and CFS's (container freight stations) which enhance the value of the property by business connectivity.

4. PROPERTY TITLE AND PLANNING

4.1 Property Title

We have been made to understand that the subject property is owned by JNPT (Jawaharlal Nehru Port Trust) an Autonomous Corporation owned by Government of India.

Note: We have not verified the title as it is out of our scope.

4.2 Planning

We have been made to understand that JNPT is a Special Planning Authority of its land assets and port. Hence for the purpose of this assignment we have considered the Proposed Development Plan and Zoning of the land are under JNPT, which has been

5. ASSESSEMENT OF FAIR MARKET VALUE

5.1 Scope of Valuation

We are required to give market values of the following assets for fixing the rental values of the following assets

1. Land

2. Buildings and structures

The Assets are valued in their present condition on "as is there is" basis and for continuing the ongoing activity at same location.

DEFINITION OF IMPORTANT TERMS:

Various important terms used in the report are defined as under:

MARKET VALUE:

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

REPLACEMENT COST OF STRUCTURES:

The replacement cost is an estimate of the cost of construction, at current prices, of a structure/building having utility equivalent to the building valued but with modern materials and according to current standards, design and layout. -5-

DEPRECIATED COST OF STRUCTURES:

The depreciated cost is a proportion of the Replacement cost in the ratio of the balance life to the total life. The depreciation is applied on straight line method.

INSPECTION:

We had carried out inspection of land and buildings of JNPT as per the list provided.

5.2 Assets Under Valuation

LAND INSIDE CUSTOM BOND AREA (PORT PREMISES):

In case of land inside custom bond area (Port Premises), transactions of sale are not available as Port land is not for sale. Since there is no sale of port land involved, state

government rates for stamp duty are also not available. The situation becomes more special because, market value of land is required to be determined, so that the rental value can be assumed as some percentage of it. In case of normal commercial property or Residential Property, Purchase/sale or rent out decisions are taken on the basis of capital value and prevailing rentals, because both of them (Capital Value and Rentals) are readily available. And a relationship between market value of property and rentals can be drawn. Here, it is not possible to arrive at market value of land in concurrence with the Guideline Policy of Land Management.

For comparison purpose, we supposed that Port Land use can be considered equivalent to industrial land and the guideline rates for industrial land in the vicinity can be taken for a hypothetical valuation. However, while sourcing for the guideline rates for industrial land in nearby areas, it was established that in the close proximity to the port, there are no guideline rates for industrial land available. We are of the opinion that in prevailing circumstances, comparing the port land in custom notified area (Port premises) with any other land outside port premises is not justified. Taking guideline rates of any other land in close proximity will not reflect the correct value of port land inside the custom notified area, it would be an inappropriate comparison. Hence, we are not in a position to determine the market value of Land inside port in concurrence with the Guideline Policy of the Ministry of Shipping, Govt. of India.

LAND OUTSIDE PORT:

Although the land outside port is also not available for sale and therefore technically the market value can't be determined. However, we have made a comparison as the similar land use is prevailing in the close proximity. And therefore land rates are taken as guideline rates in close proximity for commercial land. At JNPT the land rates are taken as guideline rates in the close proximity for Residential Land.

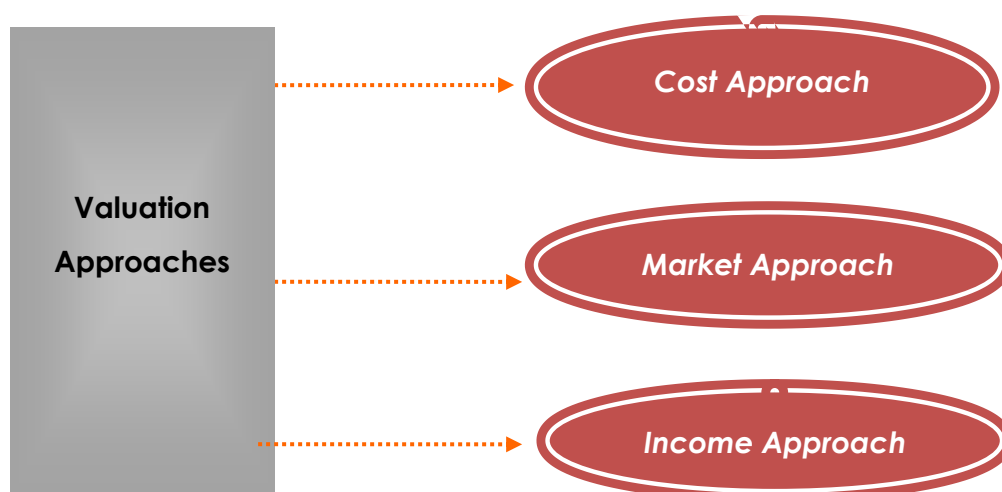
BUILDINGS AND CIVIL STRUCTURES:

We have worked out present cost of construction or Replacement Cost and then derived depreciated cost on the basis of balance useful life and total life. We have estimated the cost of construction of buildings and civil structures to the best of our abilities and it is inclusive of supervision service charges. Market value for buildings may be arrived at by adding depreciated cost of buildings and market value of land component by multiplying guideline rates adopted of land into land area

dedicatedly earmarked for particular building. Since the dedicated land area for each building is not given in tender document, we have not worked out market value of buildings.

5.3 Valuation Approach

The objective of the valuation exercise being to assess the Fair Market Value of the land assets of JNPT as on June 2018. This would be achieved by a systematic gathering, classification, and analysis of data, which is required in the development of the following approaches to valuation: *Cost Approach*, *Market Approach/Direct Comparison Approach*



- ◆ **Cost Approach**

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

This approach is commonly used for assets for which appropriate comparative benchmarks are not easily available but historic costs are available as well as replacement / re-instatement costs are available in the open market. Primarily used for financial reporting purposes on company balance sheets as well as for assessing the present worth of the assets for insurance cover, price allocation for each asset, etc.

- ◆ **Market Approach / Direct Comparison Approach**

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

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

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

♦ **Income Approach**

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

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

The residual approach involves firstly the assessment of GDV of the property. Estimated total cost of construction of the development including professional

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

In this particular instance, since the purpose for assessing the Fair Market Value of the land assets is for Preparation of Schedule of Rate for Port Land following approaches have been adopted

- a. Land - Market Approach
- b. Building/ Structures – Cost Approach

5.4 Valuation Methodology

Keeping the Amended Land Policy Guidelines, Major Ports, 2014 issued by Ministry of Shipping in view, following factors under the guidelines have been considered”:

A. STATE GOVERNMENT'S READY RECKONER RATES FOR LAND

The unit of comparison of land is locality is typically Rs. per sq.mt. of land area. As seen on the website of IGR the rates of surrounding village as on 2017 are as tabulated below.

Village	Land	Residential (Constructed Space)	Commercial (Constructed Space)	Industrial (Constructed Space)
	Rs. / sq. m.	Rs. / sq. m.	Rs. / sq. m.	Rs. / sq. m.
Dongri	1650	20,500	33,000	26000
Bokadvira	1650	20,500	33,000	26000
Sonari*	1650	20,500	33,000	26000
* N Jaskhar*	1650	20,500	33,000	26000

*ote:- *Sonari and Jaskhar are the villages which are closely bound to the port premises where as Dongri & Bokadvira are close to JNPT township & CISF barracks.*

Whereas the transactions take place at higher than the reckoner rates.

B. HIGHEST RATE OF ACUTAL RELEVANT TRANSACTIONS REGISTERED

The transacted/concluded sale/ leases of similar properties, falling within a radius of approximately 4 to 5 kms in the past 24 to 36 months have been tabulated as overleaf:

Sr. No.	Type of Doc.	Registration Number	Date of Agreement	Date Of Registration	Address	Seller	Buyer	Land Area (Sq. m.)	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Rate per Sqm (Rs.)
Jasai											
1	Sathekhat	439/2016	16-03-2016	17-03-2016	Land bearing Survey no. 180, Hissa no. 6, village Jasai, Tal. Uran, Dist. Raigad	Mr. Jaywant Anant Mhatre & others	Mr. sudhir Kashinath Katekar	200	1,30,000	4,80,000	650
2	Sale Deed	1832/2016	04-11-2016	09-12-2016	Land bearing Survey no. 41, Hissa no. 2, village Jasai, Tal. Uran, Dist. Raigad	Mrs. Anusaya Dhanaji Gharat & others	Mr. Shiva Murughya Sevarya	2,380	52,00,000	50,39,000	2,185
3	Sale Deed	637/2017	30-03-2017	15-05-2017	Land bearing Survey no. 116, Hissa no. 6B, village Jasai, Tal. Uran, Dist. Raigad	Mr. Mukesh Ghangji Gala & others	Mr. Gurunath Dhavji Naik	590	4,50,000	17,99,500	763
4	Lease Deed	293/2018	14-02-2018	14-02-2018	Land bearing Survey no. 205, Hissa no. 5, 206/1 & others village Jasai, Tal. Uran, Dist. Raigad	M/s. Castral Avasion Pvt. Ltd.	Mr. Niraj Raja Kocher	40,815	3,70,00,000	1,88,06,000	907

VALUATION REPORT OF THE LAND ASSETS OF JNPT FOR FIXATION OF SCHEDULE OF RATES FOR PORT TRUST LAND

Sr. No.	Type of Doc.	Registration Number	Date of Agreement	Date Of Registration	Address	Seller	Buyer	Land Area (Sq. m.)	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Rate per Sqm (Rs.)
5	Sale Deed	424/2018	05-03-2018	05-03-2018	Land bearing Survey no. 193, Hissa no. 1/B, village Jasai, Tal. Uran, Dist. Raigad	Mrs. Ramabai Mahadev Patil	Mr. Kesarinath Hari Gharat	150	5,00,000	9,35,000	3,333
6	Sale Deed	788/2018	28-03-2018	19-04-2018	Land bearing Gat no. 75/1 & other, village Jasai, Tal. Uran, Dist. Raigad	Mr. Sudheer Shankarlal Goyal & others	Mr. Rajeev Niranjnlal Gupta	21,705	4,00,00,000	2,36,53,000	1,843
7	Sale Deed	1310/2018	25-06-2018	25-06-2018	Land bearing Survey no. 137, Hissa no. 1 & others, village Jasai, Tal. Uran, Dist. Raigad	Citygold Plarming Pvt. Ltd. through Mr. Babulal M. Parekh	Mr. Rajkumar Kothari & others	22,970	8,50,00,000	2,93,97,500	3,700
Dongri											
1	Sale Agreement	1618/2018	04-08-2018	04-08-2018	Flat no. 102 on 1st floor Evalushan Apartment, Sector - 52, village Dronagiri, Tal. Uran, Dist Raigad	M/s. Ardi Arthscapes	Mr. Pankaj Shrikanth More	20	14,50,000	9,17,748	73,942
Bokadvira											

VALUATION REPORT OF THE LAND ASSETS OF JNPT FOR FIXATION OF SCHEDULE OF RATES FOR PORT TRUST LAND

Sr. No.	Type of Doc.	Registration Number	Date of Agreement	Date Of Registration	Address	Seller	Buyer	Land Area (Sq. m.)	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Rate per Sqm (Rs.)
1	Sale Deed	1900/2016	17-12-2016	21-12-2016	Land bearing Survey no. 142, Hissa no. 1/A, village Bokadveera, Tal. Uran, Dist. Raigad	Mrs. Saveetribai Gangaram Patil	Mr. Vasant Harishchandra Patil	2,200	3,30,000	8,80,000	150
2	Sale Deed	179/2017	09-02-2017	10-02-2017	Flat no. F-7/3, on 3rd floor, Building no. 7, Vidyasagar CHS Ltd., Sector-30, village Bokadveera, Tal. Uran, Dist. Raigad	Mr. Shailindra Mishra	Mr. Ramesh Bijaykumar Eipili	54	31,00,000	36,34,000	57,122

However no comparative transactions could be sourced during the course of market research.

C. HIGHEST TENDER CUM ACUTION RATE FOR PORT LAND (JNPT)

There are various requests from user Agencies for allotment of land for creation of liquid storage facilities and Port could not finalize the long term leases due to ban on for long term lease between 2011-13. The Port could not make any proposal for allotment of land on long term lease basis until then.

As per the Land Policy Guidelines issued in the year 2014 (Reissued in 2015) by the MoS, there is a provision under Clause No 11.2 (b) to lease land upto 30 years outside the Custom Bound Area. Accordingly, the Port has proposed the lease of vacant plots in Tank Farm Area for creation of additional liquid storage facilities

There are seven (7) plots admeasuring about 10 hectares which are identified for creation of additional liquid storage and allied facilities within the Tank Farm area. The details of plots are as under:

Sr. No.	Plot No.	Area (Ha)
1	01	0.07
2	03	1.40
3	04	1.75
4	06	1.80
5	11	0.52
6	14	2.36
7	15	2.16

The Sr No 6 & 7 have been deleted as there are matter is under Arbitration for these plots. Only Five plots have been put up for tender

The following agencies are successful and have quoted highest amount for the respective plots

- i. M/s. Deepak Fertilizers & Petrochemicals Corpn. Ltd. (2 plots)
- ii. M/s. Frigorifico Allana Private Limited (1 plots)
- iii. M/s. Liberty Oil Mills Ltd. (2 plots)

The allotted land on e-tender cum e-auction basis for establishment of liquid storage Tanks and the maximum rate is Rs 3260 per Sq mt per annum and minimum rate is rate is Rs 2500 per Sq mt per annum. There are five plots and the weighted average works out to Rs 3043 per Sq mt per annum.

D. RATE ARRIVED BY THE APPROVED VALUER APPOINTED FOR THE PURPOSE.**(I) Land - MARKET APPROACH**

Under the market approach, we have adopted direct comparison method in order to arrive at a Fair Market Rate for the subject land parcels, keeping in view their existing land use, etc.

(Direct Comparison Method):

The Direct Comparison Method involves a comparison of the subject property to same or similar properties that have actually sold in arms-length transactions or are offered for sale.

During the course of market research following market data points have been sourced:

- a) Review of the transactions registered in Sub-Registrar office.
- b) Circle rate/Guideline value/Ready Reckoner rates as per Department of Stamps and Revenue Government of Maharashtra for the corresponding villages.

Data analysis and Value working:

For arriving at the value for different zones we have considered suitable premiums and discounts on the prevailing circle rate published by Department of Stamps and Registration, Government of Maharashtra and rates provided by Joint Collector JNPT for land zoned for residential and commercial has been considered.

To these base rates following premium /discounts have been allocated for the following factors:

General Factors:

- 20% discount for Large Extent of JNPT land (since the land being allotted by JNPT run into multiple acres of land area as compared to the transactions/ circle rate- which is for a per sq. yd. area)
- 20% to 25% discount for leasehold nature of JNPT land (since the tenure of land being leased by JNPT is for 30 yrs. lease period, with only leasehold rights on the JNPT land)

- 10% discount for present FAR of 1.00 on JNPT land (since as per the Building bye laws of CIDCO Authority –the permissible FAR ranges between approximately 1.25 to 1.5 for residential land in Dronagiri Node
- 10% Rural Access at some places and hindrances (Approach).

Reference for considering the above mentioned factors is as per Guidelines for Immovable Properties 2009 as per Director of Income tax for valuation of land, as well as the Internationally accepted Valuation Standards.

Further, during the course of the assignment a review of the Highest accepted tender-cum auction rates on the JNPT land various zones were studied. It was observed that only a handful of tenders/ auctions carried out in the last past three years are for different sizes of plots for setting up of Tank farm area in liquid storage facilities purposes. The rate determined through tenders is basically depended on the factors such as availability of infrastructure such as rail and road connectivity and those are all developed land which can be treated as premium for the plots specifically and the prices determined through the tender mainly depends on the essential factors like demand and supply, purpose, size of the plot.

A review of the circle rates for stamp duty purposes, considered as a guideline from the Stamp and Registration office of the State of Maharashtra State as well as from their office of the Land Revenue department shall also be taken.

During the course of interaction with local brokers an average land rate of Rs. 8,00,000/- per guntha i.e. Rs. 3,20,00,000/- per acre of land area was found prevailing for undeveloped land in Villages like Jaskhar & Sonari, whereas a rate of Rs. 6,00,000/- to Rs. 7,50,000/- per guntha i.e Rs.2.4 cr to Rs.3 cr per acre was found prevailing in Bokadvira village.

The land rates at Developing Dronagiri Node presently are in Range of Rs. 30,00,000/- to Rs. 35,00,000/- for a plot size of 100 sq.mt i.e. Rs. 30,000/- to Rs. 35,000/- per sq.mt.

Further, some of the ongoing residential developments in Dronagiri node are as tabulated below:

Name of Project (Developer)	Configurations & Constructed area (sq .ft)	Quoted Price (Rs per sq ft)
-----------------------------	--------------------------------------------	-----------------------------

Prajapati Magnum	1 & 2 BHK (650 – 875 sq. ft.)	7500
Infinity Elite by Shankar Developers	1 & 2 BHK	6000
Choice Ambe Deep, Developed by Choice Group, Dronagiri	1 & 2 BHK	5000
National Eden Garden Developed By National Enterprises, dronagiri	2 BHK	4750

On an average the rates for residential are in range of Rs. 4,750 to Rs. 7,500 per sq. ft. of Builtup Area.

During the course of market research a Commercial rates of Rs. 8,000/- to Rs. 10,000/- per sq. ft. was found prevailing & for industrial purpose it was found in between Rs.4,500 to Rs. 6500/- per sq. ft.

Keeping in view the findings of the market research as well as based on discussions with local brokers as well as developers for under construction and existing developments; following Base rates for different land uses have been considered

- a. **Residential – Rs. 6,000 per sq. ft.**
- b. **Commercial – Rs. 8,750 per sq. ft.**
- c. **Warehousing/Storage – Rs. 5,500 per sq. ft.**
- d. **Other Port Related Activities – Rs. 6,000 per sq. ft.**

These average base rates have been considered in order to arrive at a residual land cost after deducting for construction cost, cost of approvals, expenses towards consultants, legal and marketing fees, cost of finance and a suitable developer's profit as tabulated overleaf:

Residential

Average Rate	Rs. per sq. ft.	6,000
Less		
Construction Cost	Rs. per sq. ft.	1,800
Cost of Approval, Development Charges, and Premiums	Rs. per sq. ft.	150
Consultant's Fees, Legal, Marketing, PMC etc.	5%	98
Cost of Finance for 2.5 years	14%	430

Net Rate	Rs. per sq. ft.	3,523
Less		
Developer's Profit	20%	1114
Land Cost	Rs. per sq. ft.	2,409
	Rs. per sq. mt.	25,925

Commercial

Average Rate	Rs. per sq. ft.	8,700
Less		
Construction Cost	Rs. per sq. ft.	1,800
Cost of Approval, Development Charges and Premiums	Rs. per sq. ft.	150
Consultant's Fees, Legal, Marketing, PMC etc.	5%	98
Cost of Finance for 2 years	15%	369
Net Rate		6,284
Less		
Developer's Profit	20%	1666
Land Cost	Rs. per sq. ft.	4,618
	Rs. per sq. mt.	49,704

Warehouse/Storage

Average Rate	Rs. per sq. ft.	5,500
Less		
Construction Cost	Rs. per sq. ft.	1,500
Cost of Approval, Development Charges, and Premiums	Rs. per sq. ft.	100
Consultant's Fees, Legal, Marketing, PMC etc.	5%	80
Cost of Finance	15%	126
Net Rate	Rs. per sq. ft.	3,694
Less		
Developer's Profit	15%	806
Land Cost	Rs. per sq. ft.	2,888
	Rs. per sq. mt.	31,085

Other Port Related Activities

Average Rate	Rs. per sq. ft.	6,000
Less		

Construction Cost	Rs. per sq. ft.	1,800
Cost of Approval, Development Charges, and Premiums	Rs. per sq. ft.	150
Consultant's Fees, Legal, Marketing, PMC etc.	5%	98
Cost of Finance for 2.5 years	14%	430
Net Rate	Rs. per sq. ft.	3,523
Less		
Developer's Profit	20%	1114
Land Cost	Rs. per sq. ft.	2,409
	Rs. per sq. mt.	25,925

Further, considering the residual land cost arrived for each of the broad land-use category to which an estimated Port Level Infrastructure Cost (to be incurred) is added to arrive at a General Land Rate for these land use categories, as tabulated below:

	Residential I	Commercial	Warehouse & Storage	Other Port Related Activities
Base Rate in Rs per sq mt	25,000	49,000	31,000	25,000
Infrastructure Cost in Rs per sq mt	5,000	5,000	5,000	5,000
Total Cost in Rs per Sq mt	30,000	54,000	36,000	30,000

In order to arrive at an appropriate land rate for the subject property following influencing factors have been considered to which suitable premium / discount have been assigned.

General Factors:

- 20% discount for Large Extent of JNPT land (since the land being allotted by JNPT run into multiple acres of land area as compared to the transactions/ circle rate- which is for a per sq. yd. area)
- 20% to 25% discount for leasehold nature of JNPT land (since the tenure of land being leased by JNPT is for 30 yrs. lease period, with only leasehold rights on the JNPT land)
- 10% discount for present FAR of 1.00 on JNPT land (since as per the Building bye laws of CIDCO Authority –the permissible FAR ranges between approximately 1.25 to 1.5 for residential land in Dronagiri Node).
- 10% Rural Access at some places and hindrances (Approach).

Reference for considering the above mentioned factors is as per Guidelines for Immovable Properties 2009 as per Director of Income tax for valuation of land, as well as the Internationally accepted Valuation Standards.

Tabulated below are the Discounts considered for various categories of land use i.e. residential, commercial; warehousing/ storage and other Port related activities to arrive at the Adjusted land rate which is considered for determination of SOR for the Port Land outside Custom Bound area:

Residential		
	Factors	Premium / Discounts (%)
A	Large extent of land parcel	-20%
B	JNPT limits and leasehold land	-25%
C	Rural Access at some places and hindrances (Approach)	-10%
D	Existing FSI on JNPT land (1.00)	-15%
E	Total Adjustment (A+B+C+D)	-70%
F	Base Rate Rs./Sq. Mt.	30,000
G	Total Adjustment (E*F)	-21,000
	Adjusted land rate for subject property (Rs. /Sq. Mt.) (F-G)	9,000

Commercial		
	Factors	Premium / Discounts (%)
A	Large extent of land parcel	-20%
B	JNPT limits and leasehold land	-20%
C	Rural Access at some places and hindrances (Approach)	-10%
D	Total Adjustment (A+B+C)	-50%
E	Base Rate Rs./Sq. Mt.	54,000
F	Total Adjustment (D*E)	-27,000
	Adjusted land rate for subject property (Rs./ Sq. Mt.) (E-F)	27,000

Warehouse & Storage		
	Factors	Premium / Discounts (%)

A	Large extent of land parcel	-20%
B	JNPT limits and leasehold land	-20%
C	Total Adjustment (A+B)	-40%
D	Base Rate Rs./Sq. Mt.	36,000
E	Total Adjustment (C*D)	-14,400
	Adjusted land rate for subject property (Rs./ Sq. Mt.) (D-E)	21,600

Other Port Related Activities	
Factors	Premium / Discounts (%)
Large extent of land parcel	-20%
JNPT limits and leasehold land	-25%
Rural Access at some places and hindrances (Approach)	-10%
Existing FSI on JNPT land (1.00)	-15%
Total Adjustment (A+B+C+D)	-70%
Base Rate Rs./Sq. Mt.	30,000
Total Adjustment (E*F)	-21,000
Adjusted land rate for subject property (Rs. /Sq. Mt.) (F-G)	9,000

Hence keeping in view the present and proposed development in the vicinity of the port premises and all the above mentioned factors, summarized below are the proposed rates for the land:

Nature of Land	Activity	Land Rate (Rs./Sq. Mt.)
Residential	Port User Residential PSP (Public & Semi Public Facilities)	9,000/-
Warehouse & Storage	Agro Based Storage, Bio Diesel, Car Storage, Cement Silo, Cold Storage, Container Repair, Container Scanner, Parking Public Utility, Research Labs, Retail Warehousing	21,600/-
Commercial	Social Commercial, Petrol Pump	27,000/-

Other Port Related activities	Land required for Port related activities for storage of goods for import and export and other Port facilities	9,000/-
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5.5 Valuation

As per Policy guidelines for land management by major ports.

The Ministry of Shipping has issued the 'Land policy Guidelines in 2015 for land management in Ports. As per the provisions of the said guidelines under Clause No 13, the Port have to fix the lease rentals as per the MPT Act 49 for landing places and land use within the Port managed lands and to be revised every five years. As per the said guidelines a Land Allotment Committee (LAC) to be constituted consisting of Deputy Chairman of the Port, and Heads of Departments of Finance, Estate and Traffic. The land allotment committee will finalize the reserve price as per the methodology. The committee shall, while recommending the latest market value for any land would normally take in to account the highest of the factors mentioned herein below to determine the latest value of port land.

The various factors considered under the Land policy for the subject land assets of JNPT are summarized as follows:

1) State Government's ready reckoner of land values in the area, if available for similar classification/ activities

Village	Rate Rs. / sq.mt	Rate Rs. / sq.mt	Rate Rs. / sq.mt	Rate Rs. / sq.mt
	Land	Residential	Commercial	Industrial
Dongri	1650	20,500	33,000	26000
Bokadvira	1650	20,500	33,000	26000
Sonari*	1650	20,500	33,000	26000
Jaskhar*	1650	20,500	33,000	26000

2) Highest rate of actual relevant transactions registered in last three years in the Port's vicinity (the vicinity of the Port is to be decided by the respective Port Trust Boards), with an appropriate annual escalation rate to be approved by the Port Trust Board This option is not exercised as the there are no relevant transaction and market value is not comparable. Under this option also considering the position that normally the transactions take place at the guideline value or below the guideline value.

Sr. No.	Type of Doc.	Date of Registration	Address	Area (Sq. m.)	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Unit Rate (Rs./Sq. m.)
Jasai Sr No 1-7 Dongri Sr No1 and Bokudveera Sr No 1 and 2							
1	Sathekhat	17-03-2016	Land bearing Survey no. 180, Hissa no. 6, village Jasai, Tal. Uran, Dist. Raigad	200	1,30,000	4,80,000	650
2	Sale Deed	09-12-2016	Land bearing Survey no. 41, Hissa no. 2, village Jasai, Tal. Uran, Dist. Raigad	2,380	52,00,000	50,39,000	2,185
3	Sale Deed	15-05-2017	Land bearing Survey no. 116, Hissa no. 6B, village Jasai, Tal. Uran, Dist. Raigad	590	4,50,000	17,99,500	763
4	Lease Deed	14-02-2018	Land bearing Survey no. 205, Hissa no. 5, 206/1 & others village Jasai, Tal. Uran, Dist. Raigad	40,815	3,70,00,000	1,88,06,000	907
5	Sale Deed	05-03-2018	Land bearing Survey no. 193, Hissa no. 1/B, village Jasai, Tal. Uran, Dist. Raigad	150	5,00,000	9,35,000	3,333
6	Sale Deed	19-04-2018	Land bearing Gat no. 75/1 & other, village Jasai, Tal. Uran, Dist. Raigad	21,705	4,00,00,000	2,36,53,000	1,843
7	Sale Deed	25-06-218	Land bearing Survey no. 137, Hissa no. 1 & others, village Jasai, Tal. Uran, Dist. Raigad	22,970	8,50,00,000	2,93,97,500	3,700

Sr. No.	Type of Doc.	Date of Registration	Address	Area (Sq. m.)	Agreement Amount (Rs.)	Stamp Duty Value (Rs.)	Unit Rate (Rs./Sq. m.)
8	Sale Agreement	04-08-2018	Flat no. 102 on 1st floor Evalushan Apartment, Sector - 52, village Dronagiri, Tal. Uran, Dist Raigad	20	14,50,000	9,17,748	73,942
9	Sale Deed	21-12-2016	Land bearing Survey no. 142, Hissa no. 1/A, village Bokadveera, Tal. Uran, Dist. Raigad	2,200	3,30,000	8,80,000	150
10	Sale Deed	10-02-2017	Flat no. F-7/3, on 3rd floor, Building no. 7, Vidyasagar CHS Ltd., Sector-30, village Bokadveera, Tal. Uran, Dist. Raigad	54	31,00,000	36,34,000	57,122

3) Highest accepted tender- cum-auction rate of Port land for similar transactions, updated on Port land for similar transactions, updated on the basis of the annual escalation rate approved by the Port Trust Board.

The JNPT has recently allotted land on e-tender cum e-auction basis for allotment of land for establishment of liquid storage Tanks and the maximum rate is Rs. 3260 per Sq. mt per annum and minimum rate is rate is Rs. 2500 per Sq. mt per annum. There are five plots and the weighted average works out to Rs. 3043 per Sq. mt per annum.

4) Rate arrived at by an approved valuer appointed for the purpose by the Port.

Thus considering the above mentioned negative influencing factors, inputs /findings from the primary research on residual land rates for un-developed land, present status, extent of land the lease rent per annum based on 6% return based on Fair Market Value of the land is as tabulated below:-

DESCRIPTION	Unit	RESIDENTIAL	COMMERCIAL	WAREHOUSING & STORAGE	OTHER PORT RELATED
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					ACTIVITIES
LAND RATE	Rs./ sq. m.	9,000	27,000	21,600	9,000
ANNUAL RENTAL	Rs./sq. m./ annum	540	1,620	1,296	540
MONTHLY RENTAL	Rs./ sq.m./month	45	135	108	45
CONSTRUCTION COST (AFTER DEPRECIATION) *	Rs./ sq. m.	8,825	11,767	-	-
DEVELOPMENTAL CHARGE	Rs./ sq. m.	-	-	6,500	-
ANNUAL RENTAL (@ 6% OF TOTAL RATE)	Rs./sq.m./annum	530	706	390	-
MONTHLY RENTAL	Rs./ sq.m./month	44	59	33	-
TOTAL MONTHLY RENTAL	Rs./ sq.m./month	89	194	141	45

**The construction cost of the structures is considered keeping in view the type of construction, foundation, roofing, specifications of the building material used, to which, depreciation for the age of these structures (considering an average age of 26 yrs.) for a total life of 50 to 60 years*

CONCLUSION

Tabulated below is the summary of rates arrived by the valuer as per Land Policy, 2014 is as follows:

LAND OUTSIDE CUSTOMER BOUND AREA

Sr. No.	SUMMARY					
1	State Govt. ready reckoner rate in year 2018-19	Open Land - Rs.1650/ sq. m.	Residential Builtup - Rs. 20,500/ sq. m.	Commercial Builtup - Rs. 33,000/ sq. m.	Warehousing/ Storage Builtup - Rs. 26,000/ sq. m.	Other Port Related Activities
2	Highest rate of actual relevant transactions in last 3 years in Port's vicinity	Open Land - Rs. 3700/ sq. m.	---	---	--	---
3	Highest accepted tender cum action rate of port land	Open Land - Rs. 3043/ sq. m. (for tank farms)	---	---	---	---
4	Rate arrived by Approved Valuer		Residential Land- Rs. 9,000/ sq. m.	Commercial Land-Rs. 27,000 / sq. m.	Warehousing & Storage Land-21,600/ sq. m.	Other Port Related Activities- Rs. 9,000/ sq. m.
			Annual Rent - Rs. 1070/ sq. m.	Annual Rent-Rs. 2326/sq. m.	Annual Rent- Rs. 1686/ sq. m.	Annual Rent - Rs. 540/ sq. m.
5	Any other relevant factor identified by Port	--	---	---	---	---

LAND INSIDE CUSTOM BOUND AREA

These would be 20% higher than the rates for outside custom bound area due to security and better infrastructure.

For Kanti Karamsey & Co.

Kunal Vikamsey, MRICS

B.E. (Civil), M. Val. (Real Estate & Plant Machinery),

Govt. Registered Valuer, Reg. No. I-360 of 1988.

ANNEXURE B – ASSUMPTIONS AND LIMITING CONDITIONS

1. Assumptions are made to the best of our knowledge and belief. Reliance is based on the information furnished to us by the identifier AND/OR JNPT.
2. The subject property consists of un-developed land which only has been considered for the purpose of valuation, as instructed by the JNPT.
3. The Valuer shall not be responsible for any matter of legal nature that affects the value and the opinion expressed by us.
4. Where it is stated that another party has supplied information to the valuer, this information is believed to be reliable, but the valuer can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained from our market research, search of the records and examination of documents or by inquiry from the Government or other appropriate authorities.
5. In no event shall the valuer be held responsible or liable for special, direct, indirect or consequential damages as the assignment has been completed on best efforts, available knowledge and in good intentions of persons concerned and belief.
6. We would be pleased to appear and give the necessary clarifications, by way of meetings at Mumbai, internal calls, etc. up to the extent specified in the engagement letter for a period of 6 months from the date of valuation. However, we would be in a position to appear beyond 6 months provided the fees for each appearance (including out of pocket expenses) are pre-determined.
7. The valuer's responsibility in connection with this valuation report is limited to the JNPT to whom it is addressed and to that JNPT only. The valuer disclaims all responsibility and will accept no liability to any other party.
8. The report is valid as on date of valuation only.