

H.C. ANANTHA KRISHNA M.I.E.
Chartered Engineer & Valuer
No. 3, Manuvana, 1st 'D' Cross, Vijayanagar,
Bengaluru - 560 040. Mobile : 8951006809

Ref. : HEAK/OL/190501

Date : 29-5-2019

VALUATION REPORT FOR THE PROPERTY IN LIQUIDATION ;
OFFICE SPACE OWNED BY TO M/S YESHASVI LIMITED
SITUATED AT, NO 9/4/63-P1 2ND FLOOR, NEW VYAVAHAR
COMPLEX, MARUTHI VEETHIKE IN SY.NO.130-2A1 TENKAPET
WARD, UDUPI MUNICIPALITY.UDIPI DISTRICT.

REFERENCE:ORDER ON OLR NO 23/2019

VISIT DATE ON 19-05-2019

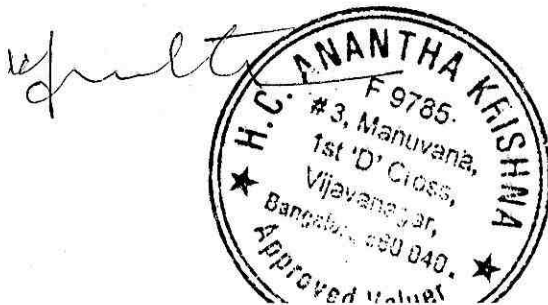
Time 12.30 Noon

Persons present during the inspection

1. H.Manjunatha (Junior Technical Assistant office of the official liquidator)
2. H.C.Anatha Krishna (Highcourt panel approved valuer)
3. Sudhakara M.S.(Associate to Mr. H C Ananthakrishna)
4. Mrs Revathi Asst. Manager,from KSSIDC.
5. K.Krishna Security guard from SOPS

OBSERVATIONS ON THE BUILDING:

1. The building is more than 20years old.
2. RCC structure with infill masonry wall with open space in the middle and corridor at both sides.
3. G+3 Floors.



Signature

M.S. SUDHAKARA
ME(CIVIL) IISAA, FI, MIE, CE (INDIA) IISAE
CIVIL & STRUCTURAL ENGINEER
CHARTERED ENGINEER, APPROVED VALUER
BCC REGN NO.BCC/DL-3,0/E-3709/2012-13
F-8155, INSTITUTION OF VALUERS

4. No parking, no lift, common toilet at each floor.
5. Poor maintenance.
6. Each floor containing shops/rooms of carpet areas of each rooms varying from 160sqft to 400sqft.
7. The present office space at II-floor has a carpet area of 355 sqft and is at the end of floor facing main road and adjacent rooms of this office space are of 160 sqft carpet area.
8. The building is situated at a busy area of market.
9. Office spaces/shops are either owned by the occupiers or tenants paying the market rent for the space occupied by them.
10. Information about the rent paid by the tenants in the same floor was obtained by enquiry.

VALUATION OF THE OFFICE SPACE

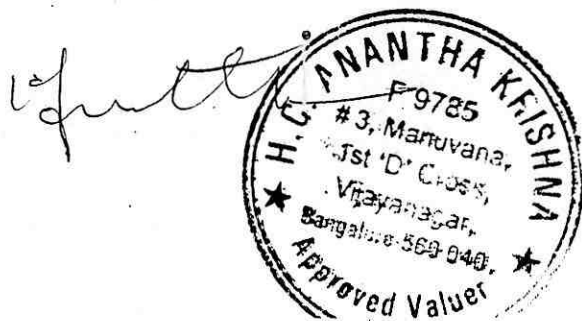
The office space is basically valued under two approaches and the reasonable value of any one of the approach is considered as value for this office space. Since the office space under liquidation is in an old building cost approach gives lesser value and it is not considered.

a) Market Approach

The Sub Registrar (Udupi) Book value of the office space in building area under the liquidation is Rs.27, 000/sqm

After enquiring the neighboring office space with a carpet area of 160 sqft in the same floor was purchased for Rs.5.0 lakh 3 years ago with a carpet area of 160 sqft.

The present area of flat being 355 sqft. Since the building is already more than 20years old, considering a depreciation of 3% per year, the present value of the office space under valuation is



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$$= 5,00,000(1-3 \times 0.03) \times 355/160$$

$$= 4,55,000 \times 355/160$$

$$= 10,09,531 \text{ Rs}$$

Also as per the Sub registrar(UDUPI) Book value

$$V = 355/10.76 \times 27000$$

$$= 8,90,800 \text{ Rs}$$

Add for the location of office space as it is corner space with very good ventilation as 10% extra

$$V = 8,90,800 \times 110/100$$

$$= 9,79,880$$

Say 9.799 Lakh.

b) Income Approach

The rent of neighboring office space of the same floor = 3500 Rs/per month.

$$\text{Total rent per year} = 3500 \times 12$$

$$= 42,000/$$

Capitalizing is @ 8% per annum

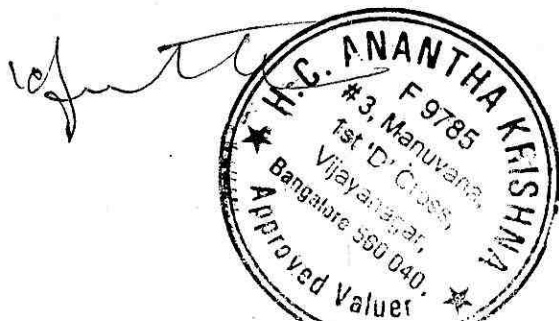
$$\text{Value of the office space} = 42000 \times 100/8$$


$$= 5,25,000$$

Because of the area increased the rent for area 160 sqft when applied to a bigger area of 355 sqft will get reduced by 10%

Hence Value for the present office space of 350sqft

$$= 5,25,000 \times (355/160) \times 0.9$$




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= 10,48,359 Rs.

Say 10.48 lakh

This is the value based on the income approach

CONCLUSION

Based on both the approaches the value of the proposed office space may be given as 9.30 lakh. This is because of the office space needs maintainance .

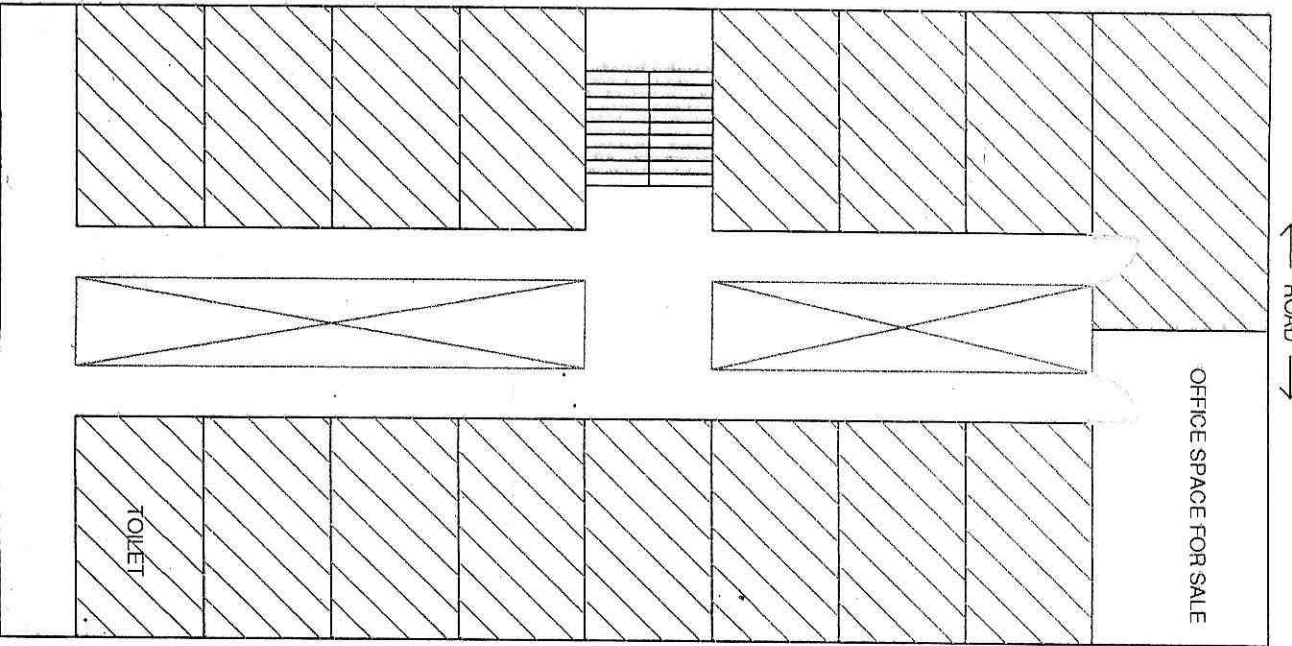
ASSUMPTIONS AND LIMITATIONS

- 1.The available furnitures and partitions are very old and their values are not considered in this report.
- 2.Since the property is in locked and u nused condition for a long period th e valuation is given on the lower side of the values obtained from both the market approach and the income approach .



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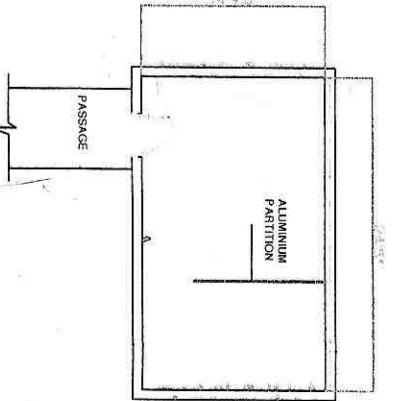
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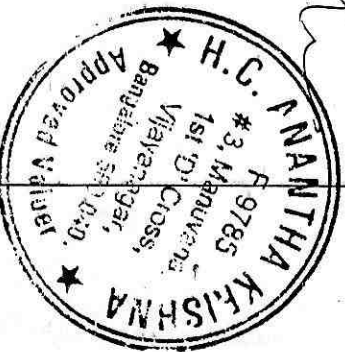
LOCATION OF THE OFFICE SPACE AREA

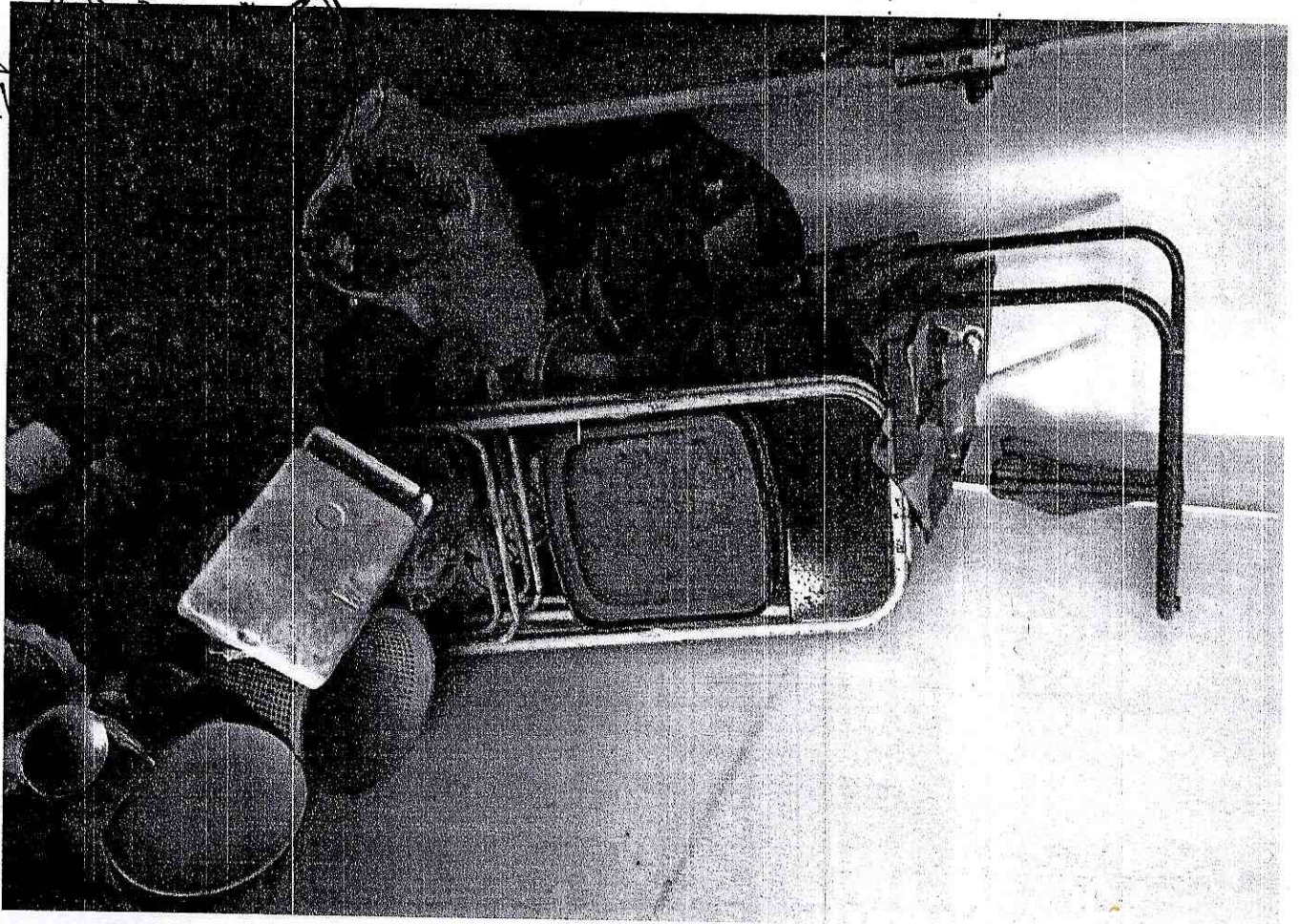
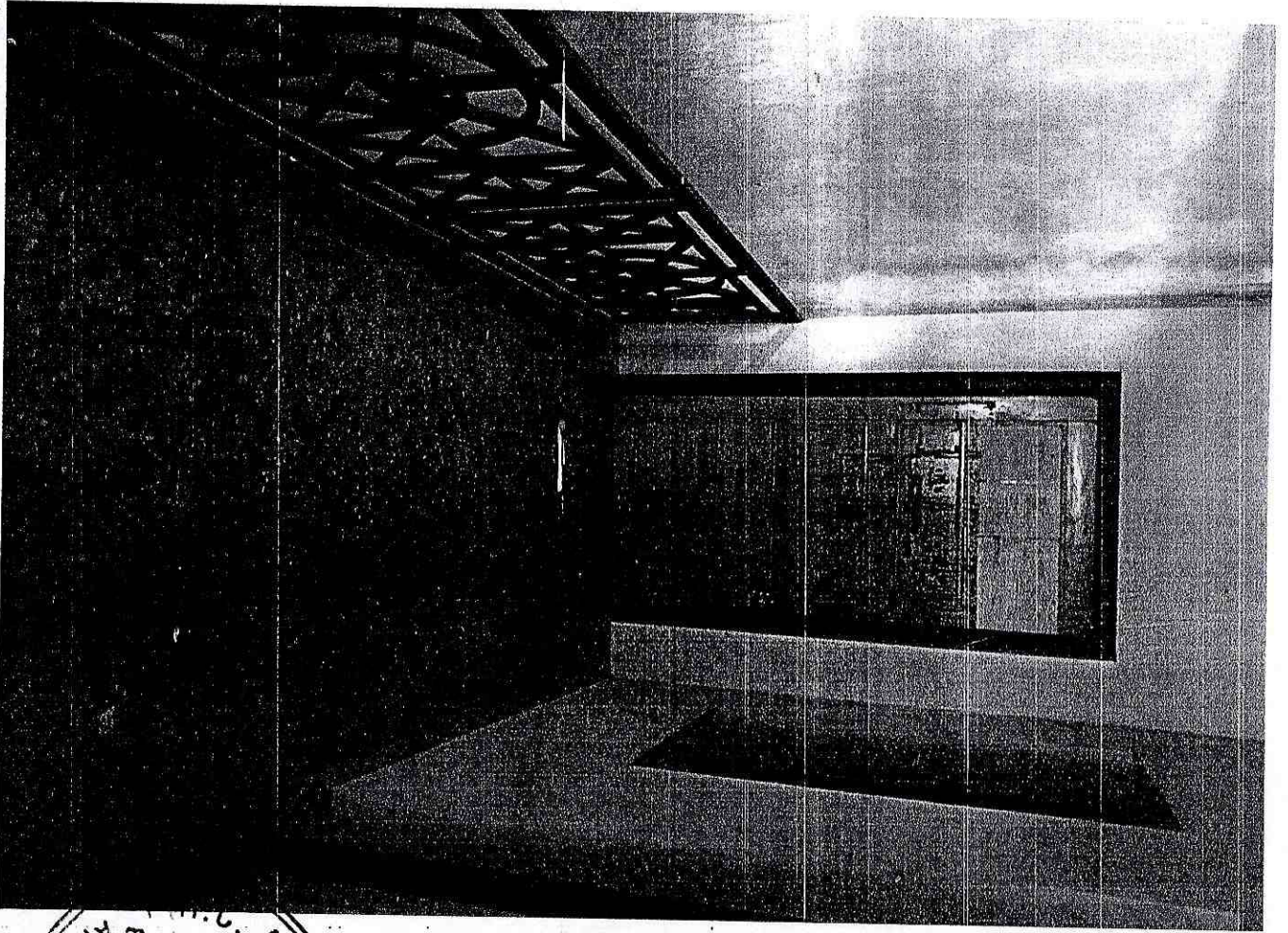
LOCATION OF OFFICE SPACE UNDER LIQUIDATION AT SECOND FLOOR VYVAHAR COMPLEX.

PLAN OF THE OFFICE SPACE AREA



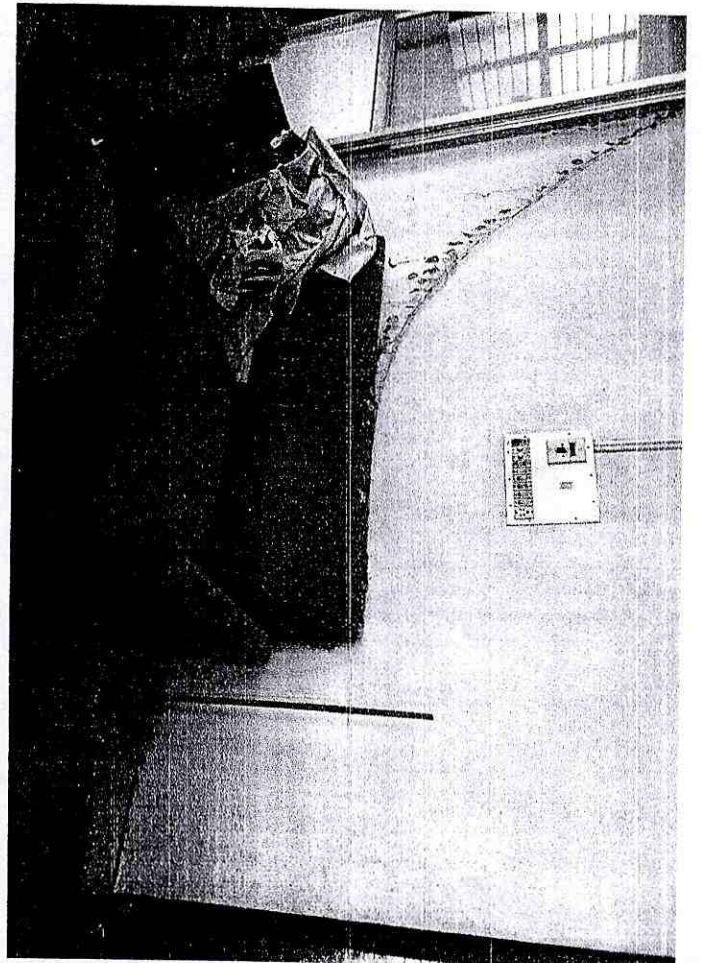
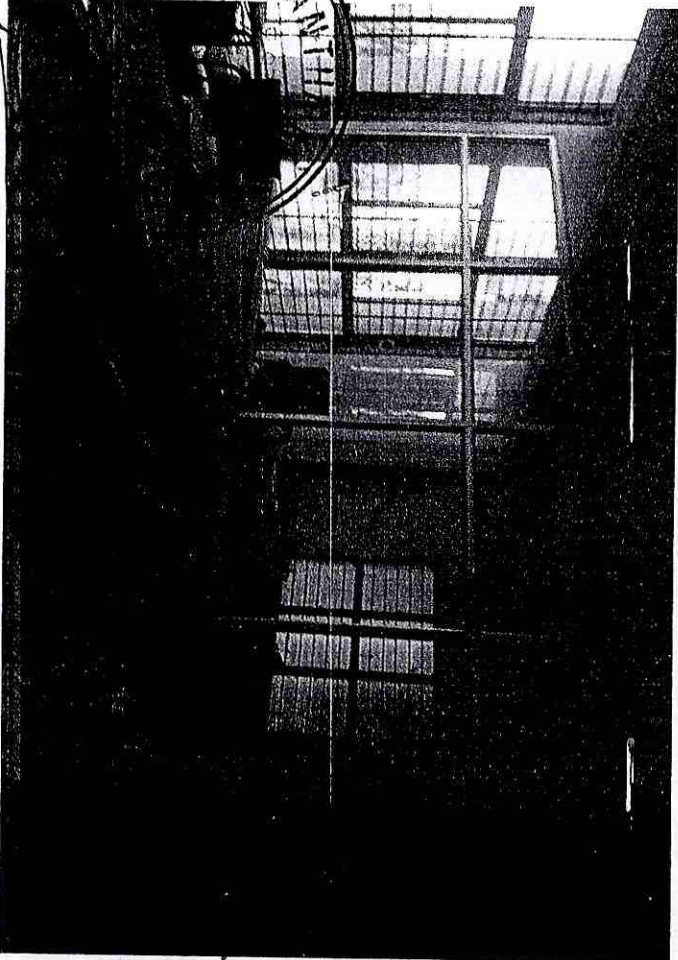
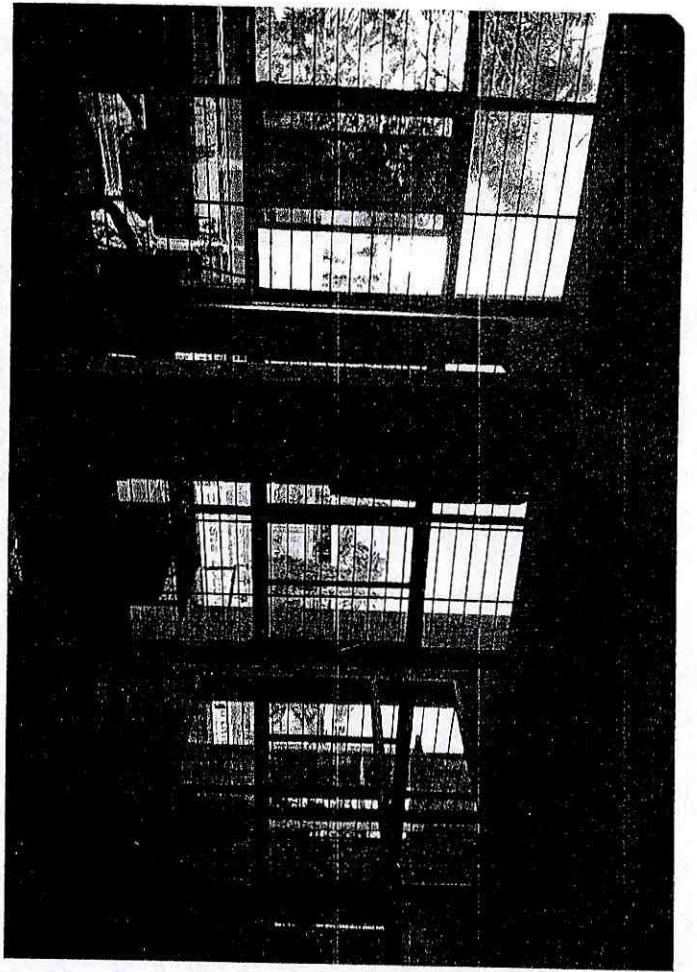
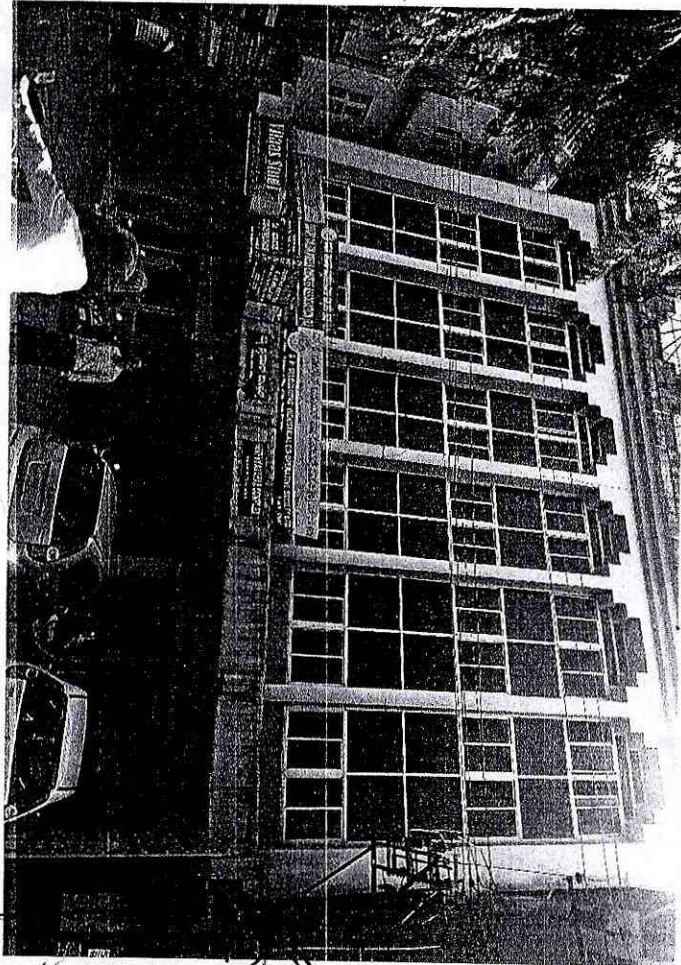
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John

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