

# Valuation of Agricultural Land in Western Maharashtra (MS)

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**ABSTRACT:** Agricultural Land Valuation is the process of determining the fair market value [FMV] of the property such agricultural land Which May be Irrigated Land or Non-Irrigated Land. Value is determined on the basis of its selling price, its income from Crops , its Approach road & Sources of Water. Value of the property depends on location and demand & supply position in market. Valuation is carried out basically for financial activities on the economy i.e. investment, buying, selling, loan and mortgage etc.

This Study deals with the valuation of agricultural land . By collecting the data about study area which is located at Alakapur village in A. Nagar district of Maharashtra. The Market value of the study area is calculated by considering present circumstances. Method of Comparison is adopted for the valuation of Agricultural Land.

The purpose of the study is to compare the market values agricultural land with other Land and to show the variation. The valuation is done by considering various aspects and under guidance of Govt. valuers.

**Key Words:** Fair Market Value, Valuation, Agricultural Land , Irrigated Land , Non-Irrigated Land.

## I. 1.INTRODUCTION

Valuation of Agricultural Land is the method of calculating the present cost of the Agricultural Land. Valuation of Agricultural Land depends on the size & shape, Water resources , Levelling , Type of Ownership...etc.

Valuation can be defined as the process of determining the present Market value of existing property such as building, land & factory etc.

Depending upon its selling price in the market or the income it fetches in the form of land, its present value is decided.

The Valuation of Agricultural land is decreases due to its Undulations, Type of Ownership Like Class-2 Property , Type of Soil like Hard Soil , Murum, White Soil & Dry Land...etc.

## II. LITERATURE REVIEW

1] **Mr. Prashant Hirachand Patil , Dr. P. L. Naktode & Dr. N. N. Bharadiya** (June 2021) has Introduced the Valuation of Agricultural Land & Resort to Calculate the Present Market Value of Property by Using Land and Building Method.

2] **Abhishek Golchha and Dr. S.S. Pimplikar** (June 2016) introduced the concept of valuation for the agricultural land and the specific nature and challenges for valuer, engineer and surveyor to calculate the market value of agricultural land.

3] **Sayali Sandbhor et al** (2013) introduced the various factors affecting the rates of properties in Pune City and Nearby Area of Pune & their effects in various localities. As market rate are increases day by day due to its population growth.

4] **Aditi Prashant Bhamre and Dr. P.L. Naktode** (Aug 2020) aimed to introduce people with actual field valuation of real estate property by finding market value of properties for bank finance purpose which is in urban, semi-urban and rural areas . Study concluded that value of property depends on locality of building, age of building and the appearance of the building.

5] **Tanuj Parmar et al** (2018) the aim of the paper gives details about valuation practice and knowledge about actual work methodology is elaborated. It covers methodology which is verified by government approved valuers and concerned field expert. It explains actual practice carried out

in field which is useful to compare the theories and actual methodology. Detailed explanation of various methods used in different circumstances is given in the paper.

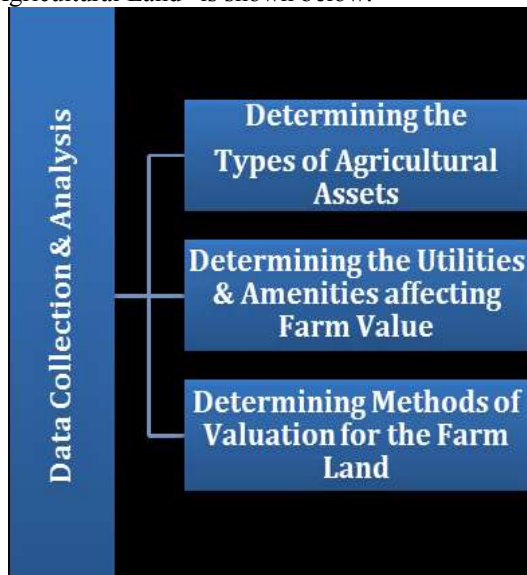
### Research Methodology

We have Studied the case study Agricultural Farm at Akalapur Tal-Sangamner Dist-A. Nagar [MH]. This place is situated near the Boundaries of Northern & Western Maharashtra Like Pune & A. Nagar District Bounties. The research work deals with study of various valuation techniques and past valuation report data collected from government authorized valuer to find the market value of the property for loan purpose from bank.

Documents related to property like 7/12 extract, 8-A-Extract , Sale Deed , etc. are studied. In present study for valuation of agricultural land we have used the Method of Comparison method for calculating the fair market value of properties.

Method of Comparison of Valuation is the comparing various Sale Deed & Evidences of Similar Properties nearby the area which will give the final value of property.

The Phases/Parts for this project work is applied as per Flow Chart for assignment of “Valuation of Agricultural Land” is shown below:



Flow Chart

Following steps are used for calculation of fair market value of property.

- 1) **Identification of Study Area :** Study Area - At- Akalapur Tal-Sangamner Dist.-A. Nagar [MH] situated near the Boundaries of Northern

& Western Maharashtra Like Pune & A. Nagar District Bounties.

- 2) **Document Collection:** Important Documents are 7-12-Extract of the Property, 8-A-Extract of the Property, Sale Deed Documents Other Comparative Documents & to see the Legal Aspects of Land.
- 3) **Document Analysis :** Documents analysis is most important factor required for Owner Ship of Land [Class-1 , Class-2 , Gift Property ..etc] , Type Of Land , irrigated Land or Non-Irrigated Land [ Bagayat Land or Jirayat Land ] , Fer far , Partition & Mutation Certificate of Land.
- 4) **Property Visit :** Visit is required for Checking the reality & Present Status of Land, to see the present type of Crop, Soil Status , Approach road , Water Resources..etc.
- 5) **Valuation Report:**If All above Criteria is founded Satisfactory then Valuation report is Prepared as per Bank Norms.

### III. DATA COLLECTION & ANALYSIS

The methods for the valuation of the Agri Land may vary from case to case. The methods chosen for valuation should be suited to the particular requirements. Some of the main purposes of agricultural valuation are

- 1] Sale and purchase/buy of agricultural property,
- 2] Hypothecation/pledging of property for taking loans from banks/ Financial Agencies.
- 3] Acquiring the agricultural lands for public purposes for laying of roads/ railways / irrigation and power projects, etc.
- 4] For ascertaining taxes payable under direct tax laws/ appropriate tax laws, to define losses under crop insurance, etc.

#### Current Methods used for Agricultural Land Valuation for Case Study

**Sale Comparative Method:**It's the foremost popular method. In this method, value of land is estimated by analyzing recent sale prices of comparable land in the vicinity, adjusting the prices to account for any difference in size, shape, location and other features. The valuation expert must check average prices over the years and check for any volatility in prices

#### CASE STUDY -01

Date: 12-June-2023

#### VALUATION CERTIFICATE

To,

The Asst. Gen. Manager / Branch Manager.

**State Bank of India [SBI] At- Junnar Tal- Junnar Dist.-Pune [MH] Branch-Junnar**

**Subject:** -It is here by certify that the Fair Market Valuation of the Agricultural Land belongs to-

**Name of Owner:** **Mr. Dharmendra Bhau Shinde.**

Gut No-04, At- Akalapur, Tal- Sangamner.

Dist.-A. Nagar [MH]

Dear Sir,

With reference to the above property, Surveyed and assessed the market value according to its Physical condition, utility factor, location aspects & marketability is below: -

**Total Value of Agricultural Land**

**1-Present Fair Market Value Rs. 32,00,000.00/-** [In Words- Thirty-Two Lac Rupees Only]

**2-Realizable Value Rs. 29,00,000.00/-** [In Words- Twenty-Nine Lac Rupees Only]

**3-Distressed / Forced Sale Value Rs. 24,00,000.00/-** [In Words- Twenty-Four Lac Rupees Only]

Place: Sangamner.

Date: 12-June-2023

**VALUATION-REPORT**

**PART-A**

1	Purpose of Valuation	To decide the Present Market Value of the Property / Land.
2	Valuation Assigned by	Valuation Assigned by The Manager State Bank of India Junnar Branch- Junnar
3	Date of Visit	09-June-2023
4	Date of report Submission	12-June-2023
5	List of Documents	7/12-Extract & 8-A-Extract.
6	Method of Valuation	Method of Comparison.
7	Owner of the Property	<b>Mr. Dharmendra Bhau Shinde.</b> Gut No-04, At- Akalapur, Tal- Sangamner. Dist.-A. Nagar Mob. No-9763703735
8	Type of Ownership	Free Hold Property [Class-1- Property]
9	Location	The Agricultural Land is located in Village Akalapur, in Gut No-04, At- Akalapur, Tal- Sangamner. Dist.-A. Nagar [MH]
10	Falls Under Local Authority	Grampanchayat Limit.
11	Observation	I have visited the agricultural land of Mr. Dharmendra Bhau Shinde. In Village Akalapur. During Visit it is observed that total Agricultural land in Gut No as given below--- 1- Gut No-04----- Total Cultivated Land= 56.00 R. Pot-Kharaba---- Total Non-Cultivated Land =15.00 R. <hr/> <hr/> Total Cultivated Land = 56.00 R Total Non-Cultivated Land = 15.00 R.
12	Sources of Water	Own Well, Pipeline @ 300-400 ft. length having 2 1/2" diameter.
13	At Present Crop Type	Present Standing Crop is Grass & Some part is Open Land.
14	Type of Soil	Medium Mixed White Cotton Soil is mostly available.

15	Major Features of the Property	>Internal Approach Road [Kaccha] is Connecting to this land. >Grampanchayat is @ 1.00-1.50 Km away from this land. >Sangamner and Market is @ 36.00 -37.00 Km away from this land. >This area is Partially Irrigated Area [Dry]
16	Special Observation [Existing Structures]	Existing Structure in Gut No-04 RCC Farm House: -No Shed: -No No Open Well: -Yes Farm Pond /Bore-Well: -
17	Approach-road [Connectivity]	Internal Approach Road [Kaccha] is Connecting to this land.
18	Latitude & Longitude	19.281960,74.209612
19	Boundaries of Land [For Gut No-04]	EAST: Odha NORTH: Gut No-05 WEST: Forest SOUTH: Gut No-03



Department of Registration & Stamps  
Government of Maharashtra  
नोंदणी व मुद्रांक विभाग  
महाराष्ट्र शासन

नोंदणी व मुद्रांक विभाग, महाराष्ट्र शासन  
बाजारमूल्य दर पत्रक

Home Valuation Rules User Manual Close Feedback

Year: 20232024 Language: English

Selected District: नगर  
Select Taluka: संगमनेर  
Select Village: अकलापुर- (सलेखोपवाडी)  
Vibhag Number: 3

Assessment Type	Assessment Range	Rate Rs/-
जिरायत शेत जमिन	0-1.25	375000
जिरायत शेत जमिन	1.26-2.50	415000
जिरायत शेत जमिन	2.51-5.00	455000
जिरायत शेत जमिन	5.01-7.50	495000
जिरायत शेत जमिन	7.51-10.00	535000
बिनशेती जमीनी/पुखंड	0-0.00	370
हायवेवरील जमिनी	0-0.00	410
मावठाणातील मिळकती	0-0.00	430

**Annual Statement Rate [ASR] Year-2023-24 [Per Hect]**

**PART-B**

**DETAILS OF AGRICULTURE LAND**

SR NO.	LOCATION	SVY. NO /GUT NO	TYPE OF FARM	Govt. Valuation year-2023-24 As per Ready- Reckoner. [Per Hect.]
1	At-Akalapur Tal- Sangamner Dist.-A. Nagar [MH]	04 ===== Vibhag No-03	For Jirayat Agriculture	<b>Rs. 3,75,000.00/- Per Hect.</b>
[ IN WORDS-THREE LAC SEVENTY-FIVE THOUSAND RUPEES PER HECT ]				

SR. NO	GUT NO /SVY NO.	TOTAL AREA IN R	PER UNIT RATE [PER R]	TOTAL VALUATION AS PER READY RECKONER [IN Rs.]
1	04	56.00	3,750.00/-	= 3,750.00 X 56.00 = Rs. 2,10,000.00/-
Total Agricultural Land = 56.00 R				
<b>TOTAL VALUATION AS PER READY RECKONER-----</b>				<b>= Rs. 2,10,000.00/-</b>
<b>[IN WORDS- TWO LAC TEN THOUSAND RUPEES ONLY]</b>				

#### IV. DISCUSSION

The Present Market Value of above mentioned Agri-Landis more than the Govt. Value [RRR] [2023-24] because this land is more fertile than the Surrounding Land. Central Market places are also near this Village like Sangamner Area, having strong future market for this land. So, the

present Market value of the Jirayat Agri-land are ranges in between-

**A] For Cultivated Land, rates are ranges in between Rs. 45,000.00/- To Rs. 55,000.00/- Per R.**

**B] For Non-Cultivated Land, rates are ranges in between Rs. 20,000.00/- To Rs. 30,000.00/- Per R.**

#### MARKET VALUE FOR GUT NO-04

MARKET VALUE IN Rs / R	REASONABLE RATE Rs/R	TOTAL VALUE IN Rs.
<b><u>A] For Cultivated Land</u></b> Rs. 45,000.00- 55,000.00/-	<b><u>Rs. 50,000.00/-</u></b>	= 50,000.00 X 56.00 = Rs. 28,00,000.00/- = 25,000.00 X 15.00 = Rs. 3,75,000.00/-
<b><u>B] For Non-Cultivated Land</u></b> Rs. 20,000.00- 30,000.00/-	<b><u>Rs. 25,000.00/-</u></b>	

Total Value of Agricultural Land [A+B] = Rs. 31,75,000.00/-

**Rounded Off Amount = ~ Rs. 32,00,000.00/-**

This is to certify that the total value of Agri landis in my opinion comes to about- **Rs. 32,00,000.00/-**  
[In Words- Thirty-Two Lac Rupees Only]

#### V. RESULT AND DISCUSSION

This study aims to investigate market Valuation of agricultural land.

1. Valuation of the property depends upon Location of Agricultural Land, Frontage of Plot, its type of Soil, Shape, Size, Levelling, Types of Crop for which this Land is Suitable, Water resources & its Ownership Type.

2. The market rate of the property is totally differing from the government rate i.e. Ready-

Reckoner rate & Fair Market Value of Agricultural Land is Totally Different.

3. Market Value May Be More or Less as Compared to Government Rate [RRR]

4. The verification of documents of property on site is very necessary.

5. Actual Site Visit of property on site is necessary.

7. In fact Agricultural valuation is an all-pervasive art requiring the knowledge of valuation of immovable properties' crops plantations, machinery / transport varying stocks of materials / stores / produce, stocks in process etc. In addition, valuation of breeding livestock, draught animals, poultry and allied activities also are involved.

## **VI. CONCLUSION**

This study explains complete procedure in simple steps so that professionals can easily understand the methodology of actual work carried out for the valuation of agricultural land.

The total value of the property is depending on locality Size, Shape , Soil Quality , Water Resources, Type of Ownership of Agricultural Land.

As per the data analysis of Agricultural land with the Surrounding Land it is observed that the market rate of property is totally differing from the government rate [RRR]

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