

File No.: VIS(2021-22)PL676-587-757

Dated: 17.11.2021

ADDENDUM TO LIMITED TECHNO- ECONOMIC VIABILITY STUDY OF

INDIA INTERNATIONAL CONVENTION & EXHIBITION CENTRE

SITUATED AT
SECTOR 25, DWARKA, DELHI

OWNERS/ PROMOTERS

INDIA INTERNATIONAL CONVENTION & EXHIBITION CENTRE
LIMITED

- Corporate Valuers
- Business/Enterprise/Equity Valuations
- Lender's Independent Engineers (LIE)
- Techno Economic Viability Consultants (TEV)

(A CENTRAL GOVT. UNDERTAKING UNDER THE DEPTT. OF INDUSTRIAL
POLICY & PROMOTION (DIPP))
REPORT PREPARED FOR IICCL
ON THE REQUEST OF STATE BANK OF INDIA, CORPORATE ACCOUNTS GROUP,
NEW DELHI

■ Chartered Engineers

■ Industry/ Trade Rehabilitation Consultants
Important - In case of any query/ issue or escalation you may please contact Incident Manager
valuers@rkassociates.org. we will appreciate your feedback in order to improve our service

■ NPA Management

■ Panel Valuer & Techno Economic Consultants for PSU
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PART A

REPORT SUMMARY

1. **Name of the Borrowing Company :** M/s India International Convention & Exhibition Centre Limited (100% Government owned Special Purpose Vehicle ("SPV") set-up through Department of Industrial Policy and Promotion (DIPP))
2. **Name of the Owners/ Promoters :** GOI through Department of Industrial Policy and Promotion (DIPP)
3. **Address and Phone Number :** Registered Office Room No. 452 A, Ministry of Commerce & Industry, Udyog Bhawan, New Delhi -110011
4. **Project Location :** Sector 25, Dwarka, Delhi
5. **Project Type :** Integrated Exhibition & Convention Centre and allied Infrastructure
6. **Project Industry :** MICE (Meetings, Incentives, Conferences and Exhibitions (MICE))
7. **Report Prepared for Organization:** IICCL on the request of SBI, CAG Branch, Corporate Accounts Group, New Delhi
8. **Report type :** Addendum report to Limited TEV Study of M/s IICL
9. **TEV Consultant Firm :** M/s R K Associates Valuers & Techno Engineering Consultants (P) Ltd.
10. **Purpose of the Report :** To assess the Economic and Commercial viability of the Project based on the revised CMA/ financial model having changed DCCO and Project Cost provided by the Bank and key financial indicators computed by us based on the CMA/ financial model

- 11. Scope of the Report** : To reassess the key financial indicators of the Project based on the CMA/ financial model provided by the Bank for the changed DCCO and Project Cost to help in assessing Economical and Commercial viability of the Project.
- 12. Date of Report** : 17/11/2021
- 13. Documents referred for the Report**
- a. Project Information Memorandum
 - b. AECOM Monthly Progress Report
 - c. Current CMA
 - d. Financial Projection
 - e. Current Information Provided by the Banker
- 14. Total Project Cost** : INR 4948.54 Crore
- 15. Means of Finance** : Equity, Debt & Internal Accruals
- 16. Proposed Funding Bank/ FI** : State Bank of India
- 17. Key Financial Indicators** : Key Financial Indicators reworked have been shown in the below table of the project as per revised cost and CMA shared by the bank.

Key Indicators	Ratios
Min. DSCR	1.34
Average DSCR	1.68
Max TOL/TNW	0.75
Min Fixed Asset Coverage Ratio	2.28
Average Interest Coverage ratio	3.41



IMPORTANT NOTICE

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PART B

ABOUT THE REPORT

This is an addendum report to Limited Techno-Economic Viability Study Report No. RKA/2018-19/830 dated: 19.02.2019 prepared for Phase 1 of M/s India International Convention & Exhibition Centre Limited (100% Government owned Special Purpose Vehicle ("SPV") set-up through Department of Industrial Policy and Promotion (DIPP)).

At the time of preparation of the earlier report, this project was under construction and as per bank proposal the project was supposed to achieve the COD by 1st April, 2020. However as per information provided by the bank, the construction work have been disrupted due to the ban on construction activity from the nodal agency for pollution control, National Green Tribunal (NGT) and Covid-19 pandemic which resulted in the delay of completing the construction work and in this scenario the Date of commencement of commercial operation Date (DCCO) is in the process of extension up to 31st March, 2023 by the project company. As per bank the delay in project completion has also increased the Project Cost from INR 4317.40 to INR 4948.54 Crore as per the table below provided to us.

S.No	Particular	As per PIM	Revised Estimate
1.	Cost of Land	-	-
2.	Cost of EPC Contract – (L&T)	2,721.32	2,866.72
3.	Cost towards project consultants	78.78	239.91
4.	Infrastructure Facilities	1,211.71	1519.33
5.	Misc. Expenditure	134.46	120.58
6.	Working Capital	5.00	5.00
	Subtotal	4,151.26	4,751.54
7.	Interest During Construction & incidental expense	166.14	169.00
8.	Govt. Guarantee Fee During Construction		28.00
	Total	4,317.40	4948.54

Source: Bank/ client

Therefore, for extension in achieving COD up to 31st March, 2023 and increased Project cost, bank has requested us to reassess the key financial indicators of the Project based on the CMA provided by the Bank for the changed DCCO and Project Cost to help in assess Economical and Commercial viability of the Project in the form of this addendum.



PART C

CONCLUSION

As per the CMA model provided to us, following are the financial indicators of the Project with changed DCCO and Project Cost:

Particular	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41
PAT	544.4	33.1	52.5	73.1	90.5	110.7	141.8	202.3	229.6	226.3	165.0	86.5	102.3	130.0	158.6	189.0	224.7	248.8
DEFERRED Tax																		
Depreciation	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6
interest	150.5	147.8	144.5	139.5	134.1	127.2	117.5	107.8	95.7	83.5	73.6	66.7	59.0	50.0	39.8	28.1	15.0	7.5
Total	777.4	263.5	279.5	295.2	307.1	320.4	341.9	392.6	407.9	392.4	321.1	235.7	243.8	262.5	280.9	299.7	322.3	338.9
interest	150.5	147.8	144.5	139.5	134.1	127.2	117.5	107.8	95.7	83.5	73.6	66.7	59.0	50.0	39.8	28.1	15.0	7.5
loan repayment		38.7	47.5	70.7	77.6	98.9	137.6	139.8	172.0	174.2	141.9	98.9	109.7	129.0	151.6	160.2	188.1	213.7
Total	150.5	186.5	192.0	210.3	211.7	226.1	255.1	247.5	267.7	257.7	215.5	165.6	168.6	179.0	191.4	188.3	203.1	221.2
DSCR	5.17	1.41	1.46	1.40	1.45	1.42	1.34	1.59	1.52	1.52	1.49	1.42	1.45	1.47	1.47	1.59	1.59	1.53
AVG DSCR	1.68																	
MIN DSCR	1.34																	
TOL/TNW	0.75	0.73	0.70	0.66	0.62	0.57	0.51	0.45	0.39	0.35	0.32	0.29	0.25	0.21	0.17	0.13	0.09	
Maximum TOL/TNW	0.75																	

- Minimum and Average DSCR is being calculated as **1.34** and **1.68** respectively
- Maximum Total Liability to Total Net Worth is being calculated as **0.75**

Particular	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41
Fixed Assets Coverage Ratio	2.28	2.33	2.40	2.50	2.68	2.89	3.21	3.64	4.08	4.45	4.96	5.79	7.26	10.02	18.60			
Min FACR	2.28																	
ISCR																		
PBDIT	777.43	263.46	279.55	295.17	307.13	320.38	341.87	392.57	407.86	392.41	321.11	235.74	243.80	262.54	280.93	299.70	322.25	
Taxes	184.79	6.30	13.26	21.54	27.49	34.40	45.12	65.99	75.26	73.92	52.57	25.49	31.28	41.07	50.87	61.31	73.57	81.77
Interest	150.51	147.80	144.48	139.52	134.09	127.17	117.53	107.75	95.71	83.52	73.58	66.66	58.99	49.95	39.80	28.13	14.96	7.48
ISCR	3.94	1.74	1.84	1.96	2.09	2.25	2.52	3.03	3.48	3.81	3.65	3.15	3.60	4.43	5.78	8.47	16.62	-10.93
Average ISCR	3.41																	

- Minimum Fixed Asset Coverage Ratio (FACR) is being calculated as **2.28**
- Average Interest Service Coverage Ratio is being calculated as **3.41**.



Thus based on the above financial indicators it appears that Project is still economically viable post changes in DCCO and Project cost.

India International Convention & Expo Centre (IICC) is a flagship project of Government of India with a vision to create a state-of-the-art, world class Exhibition and Convention Facility which will be on par with the best in the industry worldwide, in size and quality; offering an efficient and quality setting for international as well as national meetings, conferences, exhibitions and trade shows.

The IICC is intended to be launched as an international brand to promote and stimulate future growth and development. The IICC will be an integrated complex with a host of mutually beneficial facilities – exhibition halls, convention centre, arena, open exhibition spaces, banquet halls, auditoria, star hotels, food and beverage outlets, offices and retail services.

This Project was planned to be completed by 1st April 2020, however due to Covid and Pollution issues, work got delayed and now the fresh planned DCCO is 31st March 2023.

As per WHO, 756 Crore doses have been given and 323 Crore people are fully vaccinated to mitigate the covid-19 impact and 41.5 % population is fully vaccinated globally. India is also moving fast pace on vaccination with 113 Crore total doses given and 37.8 Crore i.e. 27.4 % people are fully vaccinated.

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Indian economy has also bounced back strongly at a faster pace from the adverse impact of Covid 19 which disrupted the economic activities in India as well as globally. Now all the economic activities have been opened and sharp upward trends can be seen in the overall economic and industrial growth.

With growing economy of India and its rising geo-political stature globally, India will require strong infrastructure and platforms to host large and mega International & National events, summits, trade fairs, exhibitions, conferences, etc. With initiative like “**Atmanirbhar Bharat**”, Indian industry will require infrastructure to host mega trade fairs and exhibitions to showcase their product strength on the lines of USA and China. G-20 summit to be held in year 2023 was also planned to be organised in India and India international convention centre and expo centre will compliment such event and will increase the credibility of India for hosting such mega events. As planned, IICC will be of world class facility and will project India's image as an eligible host to various other world class events also.



The GOI has approved development of India international convention centre and expo centre (IICC) in sector 25, Dwarka, New Delhi and allied infrastructure in PPP and non PPP mode. Development of exhibition and convention centre space, arena, trunk infrastructure, Metro/NHAI connectivity, hotels, office and retail space etc. are visualised in the project. For development of this project India international convention centre and expo centre limited (IICC) a 100% owned and controlled company by GOI has been incorporated.

This Project involves reputed and trust worthy consultants such as Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) is appointed as knowledge partner, project is being executed through Engineering, Procurement and Construction (EPC) by Larsen and Toubro Limited (L&T), AECOM India Pvt. Limited as a "Programme Management Consultant" (PMC) for the overall management of the project, IDOM Consulting, Engineering, Architectures SAU and C.P. Kukreja Associates Pvt. Ltd as a "Preliminary Engineering and Architecture Consultant" (PEAC) to finalize the preliminary design and design guidelines, and Boston Consulting Group (India) Pvt Limited as a "Commercialization, Planning and Transaction Advisor" (CPTA) for the project.

Therefore, considering the financial indicators arrived based on the revised CMA model provided to us post change of DCCO and Project cost, this Project appears to be commercially-economically viable subject to that the Project execution and its commercial planning & implementation is done as what is planned & envisaged by various consultants above.

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Financial indicators and the calculated metrics reworked in this addendum report may change based on certain futuristic assumption which are intra dependent on economic, market and sectorial growth condition in future and socio-economic, socio-political condition at macro and micro level.

Meeting of assumption and financial ratio will entirely depend on the sincerity and efforts of the company, promoters and its key managerial performance

For R.K Associates Valuers & Techno Engineering Consultants (P) Ltd.

(Project Team)



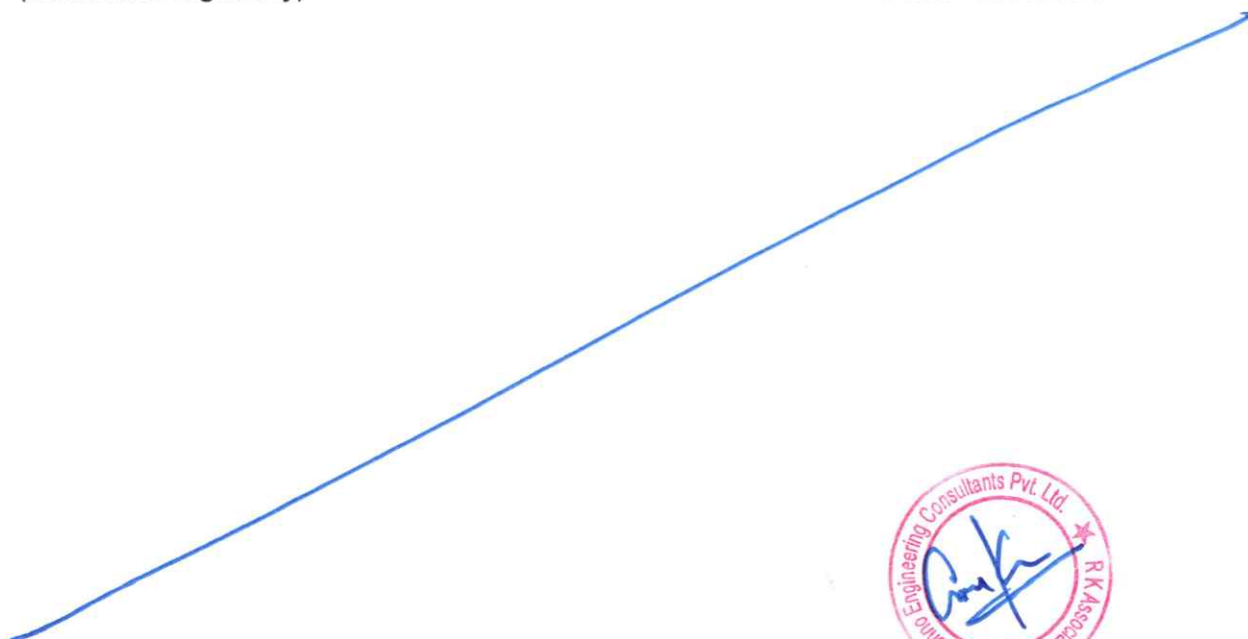
Declaration	i. The undersigned does not have any direct/indirect interest in the above property. ii. The information furnished herein is true and correct to the best of our knowledge, logical and scientific assumptions. iii. This Addendum Report is carried out by our Financial Analyst team for SBI, Commercial Branch, Corporate Accounts Group, New Delhi. iv. We have submitted this report directly to the Bank.	
Name & Address of consultant company		Signature of the authorized person
M/s. R.K. Associates Valuer & Techno Engineering Consultants Pvt D-39, 2 nd Floor. Sector-2, Noida- 201301		
Number of Pages in the Report	12	
Financial Analyst Team worked on the report	PREPARED BY: By Mr. Gaurav Kumar (Financial and Market Research Analyst)	
	REVIEWED BY: HQD Project	

R.K Associates Valuer & Techno
Engineering Consultants (P) Ltd.

Place: Noida

(Authorized Signatory)

Date: 17/11/2021




PART D

DISCLAIMER | REMARKS

1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
2. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the owner, company, its directors, employee, representative or agents. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
3. Legal aspects for e.g. investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for this report. We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
5. In this addendum only key financial indicators are reworked based on the CMA model provided to us by the bank in terms of changed DCCO and Revised Cost. DCCO and Revised Cost, assumptions in CMA model, stage of construction has not been independently verified at our



end. We have not conducted any site inspection of the Project since any kind of technical feasibility was out of scope of this addendum report.

6. This Addendum report is prepared based on certain futuristic assumption which are intra dependent on economic, market and sectorial growth condition in future and socio-economic, socio-political condition at macro and micro level.
7. Meeting of assumption and financial ratio will entirely depend on the sincerity and efforts of the company, promoters and its key managerial performance.
8. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.
9. Bank/FII should **ONLY** take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verifies the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
10. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
11. The documents, information, data provided to us during the course of this assessment by the client are reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
12. This report only contains general assessment & opinion as per the scope of work evaluated as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
13. We have relied on data from third party, external sources & information available on public domain also to conclude this report. These sources are believed to be reliable and therefore, we

assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can't vouch its authenticity, correctness or accuracy.

14. This Report is prepared by our competent technical team which includes Engineers and financial experts & analysts.
15. This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Financial Institution which is using this report for taking financial decision on the project that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
16. All Pages of the report including annexure are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
17. Though adequate care has been taken while preparing this report as per its scope, but still we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within **15 (Fifteen) days** in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
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22. R.K Associates never releases any report doing alterations or modifications from pen. In case any information/ figure of this report is found altered with pen then this report will automatically become **null & void**.
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