**REPORT FORMAT:** V-L5 (Very Large with P&M) | Version: 4.2\_2017

**File No.: VIS(2023-24)PL147-Q026-124-165 Dated: 31.07.2023**

**PROJECT BUILDING**

**VALUATION REPORT**

**OF**

**A PETROCHEMICAL COMPLEX**

**SITUATED AT**

**PLOT NO. Z/1, Z/83, Z/83/1, Z/84/1B AND ROAD CORRIDOR AREA**

**OWNER/ PROMOTER**

|  |  |  |
| --- | --- | --- |
|  |  | Working at GSPC | Glassdoor |

**A/C: M/S ONGC PETRO-ADDITIONS LIMITED (OPaL)**

**REPORT PREPARED FOR**

**M/S ONGC PETRO-ADDITIONS LIMITED (OPaL)**

***\*\*Important - In case of any query/ issue or escalation you may please contact Incident Manager***

***at valuers@rkassociates.org. We will appreciate your feedback in order to improve our services.***

***NOTE: As per IBA & Bank’s Guidelines please provide your feedback on the report within 15 days of its submission after which report will be considered to be correct.***

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***R.K Associates Important Notes and Part K–Valuer’s Important Remarks*** *are integral part of this report and Value is assessment is subject to both of these sections. Reader of the report is advised to read all the points mentioned in these sections carefully.*

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| **PART A** | **SNAPSHOT OF THE ASSET/ PROPERTY UNDER VALUATION** |





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| **PART B** | **SUMMARY OF THE VALUATION REPORT** |

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| --- | --- | --- | --- | --- |
| **S. NO.** | **CONTENTS** | **DESCRIPTION** | | |
|  | **GENERAL DETAILS** | | | |
|  | Report prepared for | ONGC Petro additions Limited (OPaL) | | |
|  | Work Order No. & Date | Tender No. 2321S00256 dated 28-04-2023 | | |
|  | Name of Customer | ONGC Petro additions Limited (Petrochemical Complex) | | |
|  | Name of Property Owner | M/s. ONGC Petro additions Limited | | |
|  | Address & Phone Number of the owner | Plot No. Z/1, Z/83, Z/83/1, Z/84/1/B and Road Corridor Area in Dahej SEZ, Village Ambetha, Taluka Vagra, Dist. Bharuch, Gujarat | | |
|  | Type of the Property | Industrial Plant/ Petrochemicals Complex | | |
|  | Type of Valuation Report | Industrial Building Valuation & Component Bifurcation | | |
|  | Report Type | Project Detailed Building Valuation & Component Bifurcation | | |
|  | Date of Inspection of the Property | From 1 March 2023 to 3 March 2023 | | |
|  | Date of Valuation Assessment | 31 July 2023 | | |
|  | Date of Valuation Report | 31 July 2023 | | |
|  | Surveyed in presence of/ Information gathered during site survey | Owner's representative | | Mr. Devang Shah (DGM-Finance)  Contact No.: +91-7433944853 |
|  | Purpose of the Valuation | Building Valuation Assessment to Exit from SEZ Premise | | |
|  | Scope of the Report | Opinion on General Prospective Building Valuation Assessment of the Project identified by Project proponent or through its representative | | |
|  | Out-of-Scope of Report | 1. Verification of authenticity of documents from originals or cross checking from any Govt. dept. 2. Legal aspects of the property. 3. Identification of the property is only limited to cross verification from its boundaries at site if mentioned in the provided documents. 4. Getting cizra map or coordination with revenue officers for site identification. 5. Measurement of the property as a whole. It is only limited upto sample random measurement. 6. Drawing Map & design of the property. 7. Preparation of inventory list of items. 8. Machines condition assessment is limited to visual observation as onis-where-is basis. 9. No technical testing of any machines/equipment was carried out during survey. 10. Land and Plant & Machinery Valuation | | |
|  | Intended Use | To know the fair market value of the Project Building physically present as per free market transaction. This report is not intended to cover any other internal mechanism, criteria, considerations of any organization as per their own need, use & purpose | | |
|  | Restrictions | This report should not be referred for any other purpose, by any other user and for any other date other then as specified above. This report is not a certification of ownership or survey number/ property number/ Khasra number which are merely referred from the copy of the documents provided to us. | | |
|  | C:\Users\engineer9\Desktop\Check.pngC:\Users\engineer9\Desktop\Check.pngIdentification of the property | ☐ | Cross checked from boundaries of the property mentioned in the deed | |
| ☐ | C:\Users\engineer9\Desktop\Check.pngDone from the name plate displayed on the property | |
| ☐ | Identified by the owner/ owner representative | |
|  | Is property number/ survey number displayed on the property for proper identification? | No. | | |
|  | Type of Survey conducted | Half Survey (Approximate sample random measurement verification from outside only & no photographs taken), | | |

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| **PART C** | **INTRODUCTION** |

1. **NAME OF THE PROJECT:** Detailed Building Valuation of a petrochemical complex owned by ONGC Petro-additions Limited (OPaL) which is a Joint Venture company promoted by Oil and Natural Gas Corporation Limited (ONGC), Gujarat State Petroleum Corporation Limited (GSPC) and GAIL (India) Ltd. The subject plant is located in Dahej SEZ, Village-Ambetha, Taluka Vagra, Dist. Bharuch, Gujarat.
2. **BRIEF DESCRIPTION OF THE PROJECT:** M/s. ONGC Petro-additions Limited (hereinafter referred to as OPaL), has developed a green field 1.1 MMTPA (1100 KTPA) Petrochemicals Complex at the aforementioned address. It is spread over a land area measuring 529.91 Ha or 1,309.39 acres in the Special Economic Zone, Dahej.

The Subject plant has a capacity to produce 14 lakh tons of Polymers & 5 Lakh tons of chemicals. Major Units of the plant area are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Plant** | **Capacity** | **UOM** |
|  | C2/C3/C4 extraction plant | 5 | MMTPA |
|  | Dual Feed Cracker Unit | 1100 | KTPA |
|  | HDPE/LLDPE Swing Units | 2 x 360 | KTPA |
|  | Dedicated HDPE Unit | 340 | KTPA |
|  | Polypropylene Unit | 340 | KTPA |
|  | Benzene Extraction Unit | 150 | KTPA |
|  | Butadiene Extraction Unit | 115 | KTPA |
|  | Butene-1 Unit | 35 | KTPA |
|  | Py Gas Hydro generation unit | 543 | KTPA |

The plant has a cracker unit which is the heart of the mega Petrochemical Complex. It is distinct from other conventional petrochemical complexes due to the dual-feed configuration. Flexibility in the feedstock is a significant benefit for OPaL using Ethane (C2), Propane (C3), Butane (C4), Aromatic Rich Naphtha (ARN) and Low Aromatic Naphtha (LAN) as feedstock to produce downstream petrochemical products HDPE, LLDPE and Polypropylene, Butadiene, Benzene, Pyrolysis Gasoline, CBFS, etc. The C2C3 extraction unit is located nearby at another ONGC Plant, and a dedicated 97-kilometer pipeline connects ONGC-Hazira with OPaL which provides the supply of Naphtha.

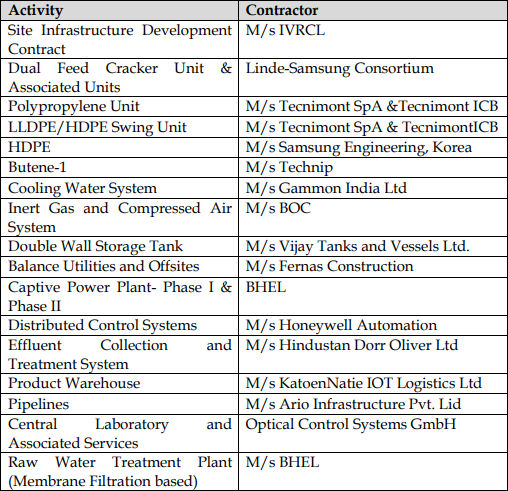
This is a Project Fixed Asset Valuation report comprises of only Building of the subject plant. Details of the same are enumerated in this report.

ONGC Petro additions Limited (OPaL) has appointed us for the Building valuation of the subject plant for the purpose of exit from Dahej, SEZ.

ONGC Petro-additions Limited (OPaL) a Special Purpose Vehicle (“SPV”) promoted by ONGC and GAIL incorporated by ONGC on November 15, 2006 to undertake the aforesaid olefin based petrochemical project in the Special Economic Zone (SEZ) at Dahej, Gujarat. As per SBICAPS reappraisal report, the construction activities of the Plant commenced from January 1, 2009 onwards, and thus the zero date of the Project have been considered as January 1, 2009. The scheduled COD of the Project was July 1, 2014, which was revised to 30th June, 2015, 1 year from the scheduled COD. The revised project completion schedule is considered at 78 months from the zero date, which was defined as the date of award of contract for engineering package for Dual feed Cracker unit (December 2008). As per the report, execution of Cracker & Associated units has been mechanically completed since September, 2012. As per the LIE Report upto 30th June 2014, overall Cumulative Project Progress achieved was 90.9% and overall Construction progress achieved was 88.6%. However, the project could be commissioned in March 2017 only.

Original Project cost of the Project was proposed to be Rs.21,396 Cr. However, due to delay and change and addition in scope of work, Project cost was revised to Rs.27,011 Cr. However total Project cost capitalized was Rs.30,742 Cr. in the books of the company.

To establish this plant various consultants/ vendors were appointed. Engineers India Limited (EIL) is the Project Management Consultant (PMC) for the Project. Other suppliers/ vendors are as per the list below:



*Source: SBICAPS reappraisal report*

**PROJECT LOCATION**

The subject plant is strategically located in Dahej SEZ, Dist. Bharuch, Gujarat to have a better connectivity to domestic and overseas markets. The project site is well connected through water & road. The nearest city to the project site is Bharuch which is approx. 45 Km away in the east direction and connected through State Highway 6. Vadodara Airport is located at a distance of 135 Km from the subject plant connecting it to various states of India and abroad.



**LAND DESCRIPTION**

For the purpose of setting up the subject plant, Dahej SEZ has provided a total land area admeasuring 529.91 Ha or 1,309.39 acres to OPaL on lease via 3 no. of deeds for a period of 30 years which is further extendable. It is spread over the plot no. Z/1, Z/83, Z/83/1, Z/84/1/B and Road Corridor Area. The land has been provided only for the purpose of manufacturing of (1) High Density Polyethylene (HDPE), (2) Linear Low Density Polyethylene (LLDPE) (3) Poly Propylene (PP), (4) Styrene Butadiene Rubber (SBR), (5) Styrene, (6) Hydrogenated Pyrolysis Gasoline (HPG) and (7) Carbon Black Feed Stock (CBFS) and carrying out the authorized operations as per the Letter of Approval (LOA) No. KASEZ/P&C/6/28/07-08 dated 16-10-2007 and as amended/renewed from time to time. Details of various ownership documents executed between Dahej SEZ and the subject company has been tabulated below:

| **S. No.** | | **1** | **2** | **3** | **Total** |
| --- | --- | --- | --- | --- | --- |
| **Plot No.** | | Z/1 and Z/83 | Z/83/1 | Z/84/1/B and Road Corridor Area |  |
| **Type** | | Sub-Lease Deed | Agreement | Agreement |  |
| **Deed Date** | | 27-12-2011 | 19-04-2014 | 15-02-2021 |  |
| **Area** | **(in sq. mtr.)** | 50,30,046.74 | 54,001.27 | 2,15,058.41 | **52,99,106** |
| **(in Ha)** | 503.00 | 5.40 | 21.51 | **529.91** |
| **Lease Period (in Years)** | | 30 | 30 | 30 |  |

**BUILDING DESCRIPTION**

The company has not shared any sanctioned plan through which the buildings at site can be verified. However, a list of 91 structures with their covered area from the list of structures mentioned in the FAR has been shared with us. The subject plant comprises a mixture of RCC structures with RCC Roofing, RCC structures with Shed Roofing and PEB structure. Some of the structures are blast proof. Entire premise is surrounded by approx. 12.70 Km of RCC Framed boundary wall/ Chain-link fencing.

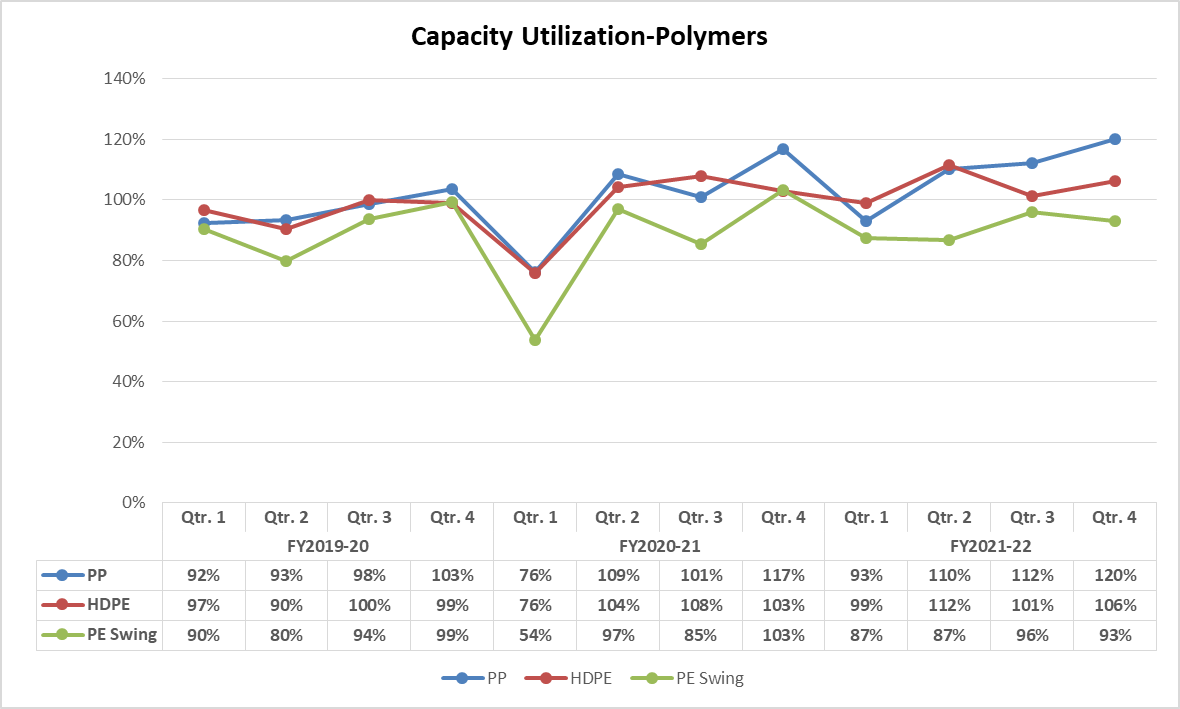
**STATUS OF PLANT DURING SITE SURVEY**

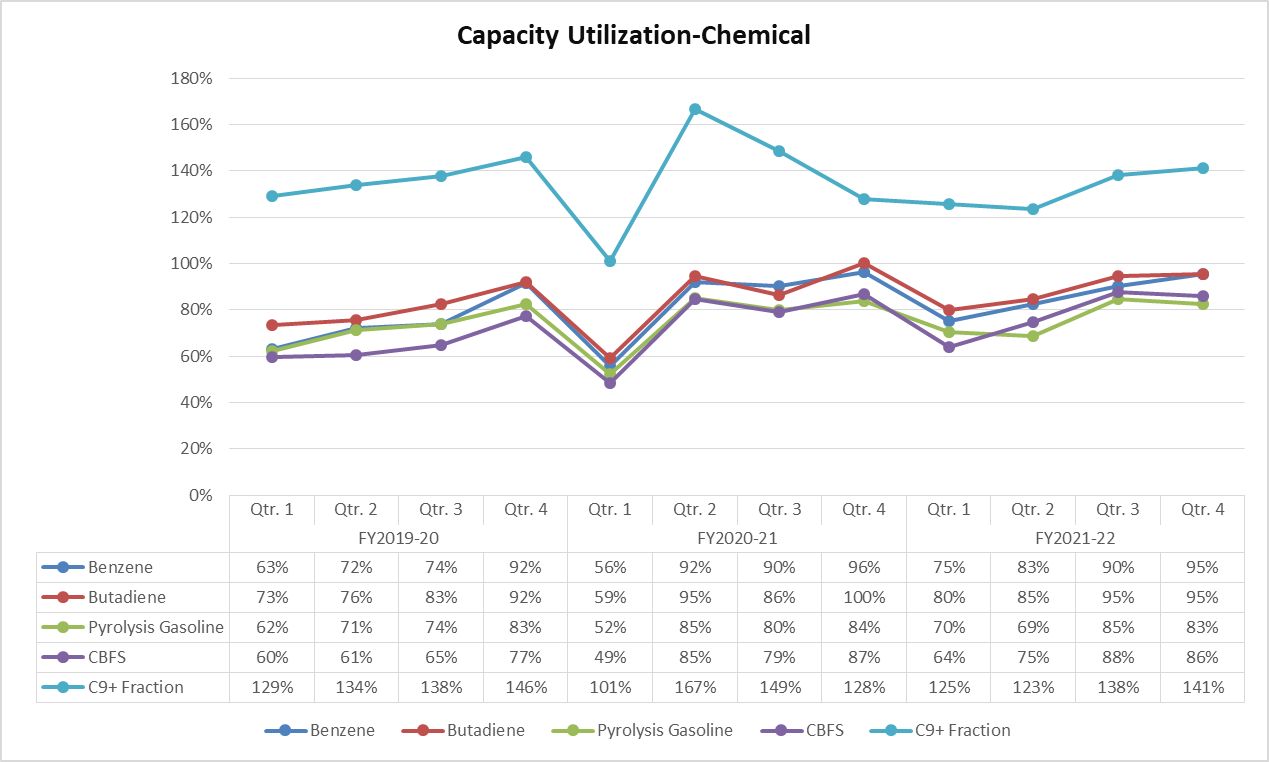
At the time of the site survey, it was informed that the plant became operational in July 2017; inaugurated by Shri Narendra Modi. As per OPaL there are ~960 employees on the payroll of OPaL and ~2,500 on contract basis.

During the site visit conducted by our engineering team from 1st March 2023 to 3rd March 2023, it was found that the entire plant was operational and in good condition. During the site inspection our team was not allowed to take photographs due to internal restriction by OPaL. Some of the images of the Plant site is provided by OPaL afterwards.

**Year-wise Quarterly capacity utilization has been depicted below:**

As per the information shared during the site visit, the subject plant went on a complete maintenance during the 1st quarter of financial year 2021-22 in the month of April/ May, due to which the plant was running on minimum required capacity as can be seen in the below graphs. On the other hand, the plant is running at more than its designed capacity as and when required throughout the year.

****



1. **PURPOSE OF THE REPORT:** To assess & determine the current Fair Market Value of the Immovable Asset i.e. Building & Civil Works of the Project pertaining to M/s. ONGC Petro additions Limited (OPaL) for the purpose of Exit from Dahej SEZ.
2. **SCOPE OF THE REPORT:** To assess and determine Fair Market Valuation of the Assets to Exit from Dahej SEZ premise as- on-where is basis covering following points:

* Certification of components of immovable property like Bricks, Cement, TMT Bars, Other Material & Labour (Services).
* Valuation of components of immovable property like Bricks, Cement, TMT Bars, Other Material & Labour (Services).

1. **COPY OF DOCUMENTS/DATA REFERRED:**

**General**

* Financial Re-Appraisal Report of SBICAPS dated: September 2014.
* Balance Sheet dated 31-12-2022
* Approvals and NOCs from various Government agencies and departments

**Building**

* Some of the Structure/ civil works technical details provided in the FAR
* Insurance Policy
* Overall Plot Plan

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| **PART D** | **CHARACTERISTICS DESCRIPTION OF THE PROJECT** |

|  |  |  |
| --- | --- | --- |
|  | **GENERAL DESCRIPTION OF THE PROPERTY** | |
|  | Names of the Legal Owner/s | Please refer to Ownership Documents |
|  | Constitution of the Property | Lease hold, have to take NOC in order to transfer |
|  | Since how long owners owing the Property | Since 2011 |
|  | Year of Acquisition/ Purchase | 2011-2014 |
|  | Property presently occupied/ possessed by | Sub-Lessee |

*\*NOTE: Please see point 6 of Enclosure: 5 – Valuer’s Important Remarks.*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **LOCATION CHARACTERISTICS OF THE PROPERTY** | | | | | | | | | | | |
|  | Nearby Landmark | | | | DGEN Power Plant - Torrent | | | | | | | |
|  | Postal Address of the Property | | | | Plot No. Z/1, Z/83, Z/83/1, Z/84/1/B and Road Corridor Area in Dahej SEZ, Village Ambetha, Taluka Vagra, Dist. Bharuch, Gujarat. | | | | | | | |
|  | Independent access/ approach to the property | | | | Clear independent access is available | | | | | | | |
|  | Google Map Location of the Property with a neighborhood layout map | | | | Enclosed with the Report | | | | | | | |
| Coordinates or URL: 21°41'32.7"N 72°37'08.8"E | | | | | | | |
|  | Description of adjoining property | | | | Industrial and Vacant land | | | | | | | |
|  | Plot No./ Survey No. | | | | Z/1, Z/83, Z/83/1, Z/84/1/B and Road Corridor Area | | | | | | | |
|  | Village/ Zone | | | | Villages: Ambetha | | | | Taluka: Vagra | | | |
|  | Sub registrar | | | | NA | | | | | | | |
|  | District | | | | Village | | | | | | | |
|  | City Categorization | | | | Good | | | Within well developed Industrial Area/ SEZ | | | | |
|  | Characteristics of the locality | | | | Village | | | Rural | | | | |
|  | Property location classification | | | | Near to Highway | | Good location within locality | | | | | Others |
|  | Property Facing | | | | North Facing (As per Entrance Gate) | | | | | | | |
|  | **Details of the roads abutting the property** | | | | | | | | | | | |
| 1. Main Road Name & Width | | | | State Highway 6 | | | | | ~100 ft. | | |
| 1. Front Road Name & width | | | | SEZ Road | | | | | 30 mtr. | | |
| 1. Type of Approach Road | | | | Bituminous Road | | | | | | | |
| 1. Distance from the Main Road | | | | Approx. 6 Km | | | | | | | |
|  | Is property clearly demarcated by permanent/ temporary boundary on site | | | | Yes | | | | | | | |
|  | Is the property merged or colluded with any other property | | | | No, it is an independent single bounded property | | | | | | | |
|  | **Boundaries schedule of the Property** | | | | | | | | | | | |
|  | Are Boundaries matched | | | | Yes from the available documents | | | | | | | |
| **As per Ownership Documents** | | | | | | | | | | | |
| **Plot No.** | **Z/1** | | **Z/83** | | **Z/83/1** | | | | | **Z/84/1/B and Road Corridor Area** | |
| North | 50 mtr. wide corridor  15 mtr. wide corridor (pipeline)  30 mtr. wide road | | 35 mtr. wide power corridor | | 50 mtr. wide corridor | | | | | 50 mtr. wide corridor  30 mtr. wide road  35 mtr. wide corridor | |
| South | 35 mtr. wide power corridor  15 mtr. wide corridor  30 mtr. wide road | | 20 mtr. wide corridor  30 mtr. wide road  Plot No. Z/84 | | 30 mtr. wide corridor and 30 mtr. wide road | | | | | Dahej SEZ Boundary | |
| East | 35 mtr. wide power corridor  Plot No. Z/83 | | 20 mtr. wide corridor  30 mtr. wide road  50 mtr. wide utility corridor | | Plot No. Z/83 | | | | | Dahej SEZ Boundary | |
| West | 30 mtr. wide road,  15 mtr. wide corridor,  55 mtr. wide power corridor | | 35 mtr. wide power corridor | | Plot No. Z/1 | | | | | Plot No. Z/1, Z/83, Z/83/1 (Existing OPaL boundary, 20 mtr. wide corridor, 30 mtr. wide road, 10 mtr. wide road & Plot No. Z/84/1/A) | |
|  | **Found as per Site Survey of the entire plant** | | | | | | | | | | | |
|  | North | | Corridor and road | | | | | | | | | |
| South | | Corridor and road | | | | | | | | | |
| East | | Corridor and road | | | | | | | | | |
| West | | Corridor and road | | | | | | | | | |

|  |  |  |
| --- | --- | --- |
|  | **TOWN PLANNING/ ZONING PARAMETERS** | |
|  | Planning Area/ Zone | Dahej SEZ Development Plan |
|  | Master Plan currently in force | Dahej SEZ Development Plan |
|  | Municipal limits | Dahej SEZ |
|  | Developmental controls/ Authority | Dahej SEZ |
|  | Zoning regulations | SEZ |
|  | Master Plan provisions related to property in terms of Land use | Industrial |
|  | Any conversion of land use done | NA |
|  | Current activity done in the property | Used as Petrochemical Complex |
|  | Is property usage as per applicable zoning | Yes |
|  | Any notification on change of zoning regulation | NA |
|  | Street Notification | Not notified |
|  | Status of Completion/ Occupational certificate | No information available |
|  | Comment on unauthorized construction if any | NA |
|  | Comment on Transferability of developmental rights | As per regulation of Dahej SEZ |
|  | Comment on the surrounding land uses & adjoining properties in terms of uses | The surrounding properties are currently being used for Industrial purpose. |
|  | Comment of Demolition proceedings if any | No |
|  | Comment on Compounding/ Regularization proceedings | No |
|  | Any information on encroachment | No |
|  | Is the area part of unauthorized area/ colony | No information available |

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|  | **FUNCTIONAL AND UTILITARIAN SERVICES, FACILITIES & AMENITIES** | | | | | | |
|  | Drainage arrangements | | | | Yes | | |
|  | Water Treatment Plant | | | | Yes | | |
|  | Power Supply arrangements | | NA | | Yes | | |
| NA | | Yes, D.G sets | | |
|  | HVAC system | | | | Yes | | |
|  | Security provisions | | | | Yes/ Private security guards | | |
|  | Lift/ Elevators | | | | Yes | | |
|  | Compound wall/ Main Gate | | | | Fully demarcated | | |
|  | Whether gated society | | | | Not applicable | | |
|  | Car parking facilities | | | | Yes | | |
|  | Ventilation | | | | Yes | | |
|  | Internal development | | | | | | |
| Garden/ Park/ Land scraping | Water bodies | | Internal roads | | Pavements | Boundary Wall |
| Yes | Yes | | Yes | | Yes | Yes |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **INFRASTRUCTURE AVAILABILITY** | | | | | | | |
|  | Description of Aqua Infrastructure availability in terms of: | | | | | | | |
|  | 1. Water Supply | | | | Yes | | | |
| 1. Sewerage/ sanitation system | | | | Yes | | | |
| 1. Storm water drainage | | | | Yes | | | |
|  | Description of other Physical Infrastructure facilities in terms of: | | | | | | | |
|  | 1. Solid waste management | | | | Yes, self-managed | | | |
| 1. Electricity | | | | Yes, self generated | | | |
| 1. Road and Public Transport connectivity | | | | Yes | | | |
| 1. Availability of other public utilities nearby | | | | Transport, Market, Hospital etc. | | | |
|  | Proximity & availability of civic amenities & social infrastructure | | | | | | | |
|  | School | Hospital | Market | Bus Stop | | Railway Station | Metro | Airport |
| --- | --- | --- | --- | | --- | --- | --- |
|  | Availability of recreation facilities (parks, open spaces etc.) | | | This is a rural remote area. No recreational facility is available nearby. | | | | |

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| --- | --- | --- | --- |
|  | **ENGINEERING AND TECHNOLOGY ASPECTS OF THE PROPERTY:** | | |
|  | Type of construction & design | Industrial corrugated GI Shed and RCC pillar beam column structures. Please refer Part-B of the report | |
|  | Method of construction | Construction done by professional contractor and EPC consulant based on architect plan | |
| Construction done using pre-fabricated as well as cast in-situ methodology | |
|  | Specifications | | |
| 1. Class of construction | Please refer to the later section of the report | |
| 1. Appearance/ Condition of structures | Internal - Good | |
| External - Good | |
| 1. Roof | **Floors/ Blocks** | **Type of Roof** |
| NA | NA |
| 1. Floor height | Please refer to the later section of the report | |
| 1. Type of flooring | Vitrified tiles, Kota stone, PCC, etc. | |
| 1. Doors/ Windows | Please refer to the later section of the report | |
| 1. Interior Finishing | Please refer to the later section of the report | |
| 1. Exterior Finishing | Please refer to the later section of the report | |
| 1. Interior decoration/ Special architectural or decorative feature | Not Applicable | |
| 1. Class of electrical fittings | Internal/ External/ Normal quality fittings | |
| 1. Class of sanitary & water supply fittings | Internal/ Normal quality fittings | |
|  | Maintenance issues | No maintenance issue, structure is maintained properly | |
|  | Age of building/ Year of construction | ~1-15 years / ~2008-2022 | |
|  | Total life of the structure/ Remaining life expected | Different for different structures | |
|  | Extent of deterioration in the structure | No deterioration came into notice through visual observation | |
|  | Protection against natural disasters viz. earthquakes etc. | Not Applicable | |
|  | Visible damage in the building if any | No visible damages in the structure | |
|  | System of air conditioning | AC is installed in office area | |
|  | Provision of firefighting | Fire Hydrant System | |
|  | Status of Building Plans/ Maps | Building plans are approved by the concerned authority | |
| 1. Authority approving the plan | --- | |
| 1. Name of the office of the Authority | --- | |
| 1. Is Building as per approved Map | Cannot comment on the same | |
| 1. Details of alterations/ deviations/ illegal construction/ encroachment noticed in the structure from the original approved plan | ☐ Permissible Alterations | ☐ Permissible Alterations |
| ☐ Not permitted alteration | ☐ Not permitted alteration |
| 1. Is this being regularized | Yes, by Dahej SEZ | |

|  |  |
| --- | --- |
| **PART E** | **AREA DESCRIPTION OF THE ASSET** |

1. **BUILDINGS & STRUCTURES:** Several buildings and structures are erected as per the norms & requirementof a petrochemical complex. Civil Works of the plant includes construction of roads, boundary wall, sewerage and drainage, Administration Building, Central Workshop, Training Centre & Architectural work, Central Control Room, Main Substation, Laboratory Building, Catalyst Chemical Storage Building, Central Warehouse, DFCU SS, Main Fire Station, Electrical MCC Room/ Substation Building, Switch Gear Building, etc. The company has not shared any sanctioned plan through which the buildings at site can be verified. However, a list of 91 structures with their covered area from the list of structures mentioned in the FAR has been shared with us. Details of those 91 civil structures/ works has been tabulated below:

| **S. No.** | **Asset description** | **Type of Structure** | **Height per Storey (mt)** | **Storey** | **Plinth area (in sq. mtr.)** | **Package Name** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | MSS BUILDING | RCC Framed | 4.5 | GF +FF | 3,084 | PP Package |
| 2 | ESS BUILDING | 4.5 | GF +FF | 1,800 |
| 3 | SRR BUILDING | 4.5 | GF | 1,617 |
| 4 | FINISHING BUILDING | 4.5 | G+4 | 1,171 |
| 5 | ADDITIVE STORAGE BUILDING | 4.5 | GF | 875 |
| 6 | MSS (MAIN SUBSTATION) | 4.5 | GF+FF | 6,480 | PE Swing Package |
| 7 | ESS (EXTRUDER SUBSTATION) | 4.5 | GF+FF | 2,970 |
| 8 | Finishing Building | 4.5 | G+4 | 2,780 |
| 9 | SRR (SATELITE RACK ROOM) | 4.5 | GF | 2,213 |
| 10 | Additive Storage Building | 4.5 | GF | 1,152 |
| 11 | Catalyst Storage Building | 4.5 | GF | 432 |
| 12 | Teal Building | 4.5 | GF | 321 |
| 13 | Training Centre & Architectural work | 4.5 | G+1 | 8,400 | IVRCL - Infrastructure Development Package |
| 14 | Helipad | Open Area | NA | NA | 2,623 |
| 15 | Office of ONGC & PMC | RCC Framed | 4.5 | GF | 2,207 |
| 16 | Canteen Building & Architectural work | 4.5 | GF | 1,771 |
| 17 | Raw water treatment facility | RCC | 4.5 | GF | 1,650 |
| 18 | Vehicle Parking area | Steel Structure | NA | NA | 1,200 |
| 19 | Civil & Structural work for Switchyard | RCC Framed | 4.5 | GF | 940 |
| 20 | Construction of Sub Station & Architectural work | 4.5 | G+1 | 634 |
| 21 | Security Office | 4.5 | GF | 530 |
| 22 | Earth station Building | 5 | GF | 338 |
| 23 | Medical Centre Building | 4.5 | GF | 296 |
| 24 | DG House | 4.5 | GF | 119 |
| 25 | Main Gate | NA | GF | 4 |
| 26 | Administration Building | 4.5 | G+1 | 18,700 | Integrated Utilities & Offsite |
| 27 | Central Workshop | 4.5 | GF+FF | 10,800 |
| 28 | Central Control Room | 4.5 | GF | 7,200 |
| 29 | Catalyst Chemical Storage Building | 4.5 | GF | 6,164 |
| 30 | SS-20 | 4.5 | G+1 | 5,880 |
| 31 | SS-19 | 4.5 | G+1 | 5,700 |
| 32 | Central Warehouse | 4.5 | GF | 5,440 |
| 33 | SS-14 | 4.5 | G+1 | 3,160 |
| 34 | Main Fire Station | 4.5 | GF+FF | 2,925 |
| 35 | Pump House (FWPH-1) | 9 | GF | 2,300 |
| 36 | Utility Control Room | 4.5 | GF | 2,238 |
| 37 | SS-17 | 4.5 | G+1 | 2,202 |
| 38 | Offsite Control Room | 4.5 | GF | 2,015 |
| 39 | Pump House (RWPH-1) | 9 | GF | 1,650 |
| 40 | Loading & Pipeline Control Room | 4.5 | GF | 1,415 |
| 41 | SS-18 | 4.5 | G+1 | 1,296 |
| 42 | Switchyard Control Room | 4.5 | GF | 940 |
| 43 | Driver Rest Room | 4.5 | GF | 725 |
| 44 | Satellite Fire Station | 4.5 | GF | 490 |
| 45 | Ambient Air Monitoring Control Room | 4.5 | GF | 328 |
| 46 | Transport Management Building | 4.5 | GF | 170 |
| 47 | SUBSTATION-16 | 4.5 | G+1 | 2,800 | Instrumentation Air & Plant Air |
| 48 | SS-3 | 4.5 | GF+FF | 4,988 | HDPE Package |
| 49 | SRR-04 | 4.5 | GF | 1,750 |
| 50 | Gate Infrastructure (Gate#1) | 4.5 | GF | 1,310 | Gate Infrastructure |
| 51 | Gate Infrastructure (Gate#2) | 4.5 | GF | 923 |
| 52 | Gate Infrastructure (Gate#4) | 4.5 | GF | 840 |
| 53 | Gate Infrastructure (Gate#3) | 4.5 | GF | 747 |
| 54 | ELECTRICAL MCC ROOM / SUBSTATION BUILDING | 4.5 | GF +FF | 2,916 | Effluent Collection & Treatment System |
| 55 | CHEMICAL BUILDING /SHED | 4.5 | GF+FF | 1,874 |
| 56 | CONTROL ROOM BUILDING | 4.5 | GF + FF | 902 |
| 57 | DFCU SS | 4.5 | GF+FF | 5,200 | Dual Feed Cracker Unit +Associate Units |
| 58 | RIB-1 | 4.5 | GF | 2,280 |
| 59 | AU SS | 4.5 | GF+FF | 2,260 |
| 60 | RIB-2 | 4.5 | GF | 1,805 |
| 61 | RIB-3 | 4.5 | GF | 1,490 |
| 62 | Chem. Storage. | 4.5 | GF | 352 |
| 63 | CT -01 & CT-02 - Sub Station | 4.5 | G+1 | 2,266 | Cooling Tower |
| 64 | CT -03 - Sub Station | 4.5 | G+1 | 850 |
| 65 | Chemical Dosing Building (CT-1) | 4.5 | GF | 108 |
| 66 | Chemical Dosing Building (CT-2) | 4.5 | GF | 108 |
| 67 | Chemical Dosing Building (CT-3) | 4.5 | GF | 108 |
| 68 | Operators Room (CT-1) | 4.5 | GF | 35 |
| 69 | Operators Room (CT-3) | - | GF | 35 |
| 70 | Operators Room (CT-2) | 4.5 | GF | 33 |
| 71 | Chlorination Building (CT-1) | 4.5 | GF | 30 |
| 72 | Chlorination Building (CT-2) | 4.5 | GF | 25 |
| 73 | Chlorination Building (CT-3) | 4.5 | GF | 25 |
| 74 | LABORATORY BUILDING |  | GF | 6,300 | Central LAB |
| 75 | STEAM TURBINE GENERATOR BUILDING | Steel Structure | 5 | GF+FF+SF Steel structure | 4,728 | Captive Power Plant |
| 76 | GIS BUILDING | RCC Framed | 4.5 | GF +FF | 3,200 |
| 77 | SWITCH GEAR BUILDING | 4.5 | GF | 2,870 |
| 78 | ATOMISING AIR COMPRESSOR HOUSE | 4.5 | GF | 375 |
| 79 | DG SHED | 4.5 | G+1 | 59 |
| 80 | SRR-5 | 4.5 | GF | 948 | Butene-1 |
| 81 | PARC - Building | 4.5 | GF | 766 |  |
| 82 | Toilet Blocks Civil Creche Building | 4.5 | GF | 114 |  |
| 83 | Toilet Blocks Civil DFCU | 4.5 | GF | 65 |  |
| 84 | Toilet Blocks Civil CWS | 4.5 | GF | 65 |  |
| 85 | Toilet Blocks Civil PE Swing | 4.5 | GF | 63 |  |
| 86 | Toilet Blocks Civil Bus Parking | 4.5 | GF | 60 |  |
| 87 | Toilet Blocks Civil HDPE | 4.5 | GF | 53 |  |
| 88 | Toilet Blocks Civil Gantry NWB | 4.5 | GF | 53 |  |
| 89 | Toilet Blocks Civil CWH | 4.5 | GF | 52 |  |
| 90 | Toilet Blocks Civil PWH | 4.5 | GF | 52 |  |
| 91 | Toilet Blocks Civil Butene 1 | 4.5 | GF | 52 |  |
| **Total** | | |  |  | **1,83,279** |  |

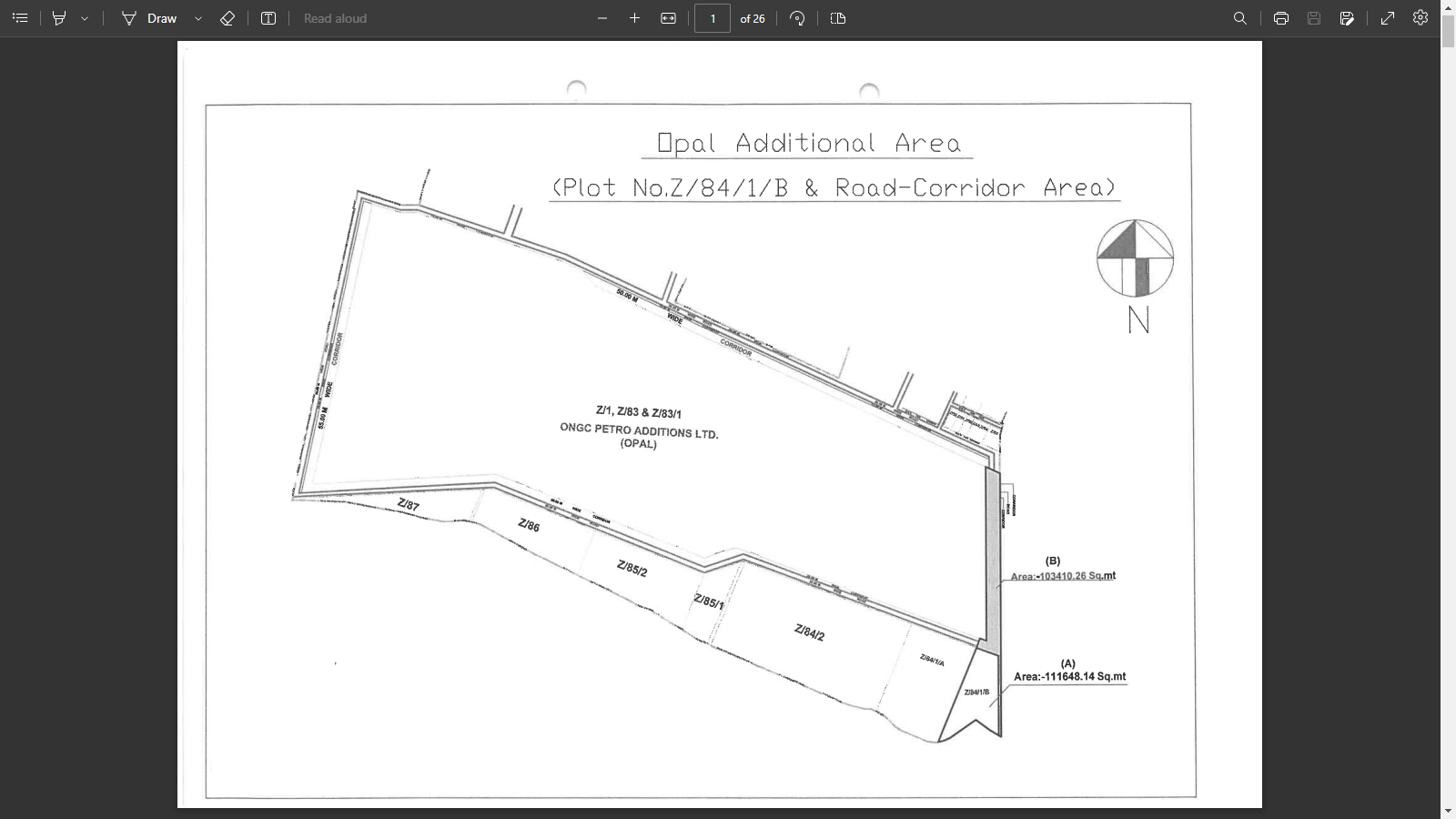
**Details of blast proof structures**

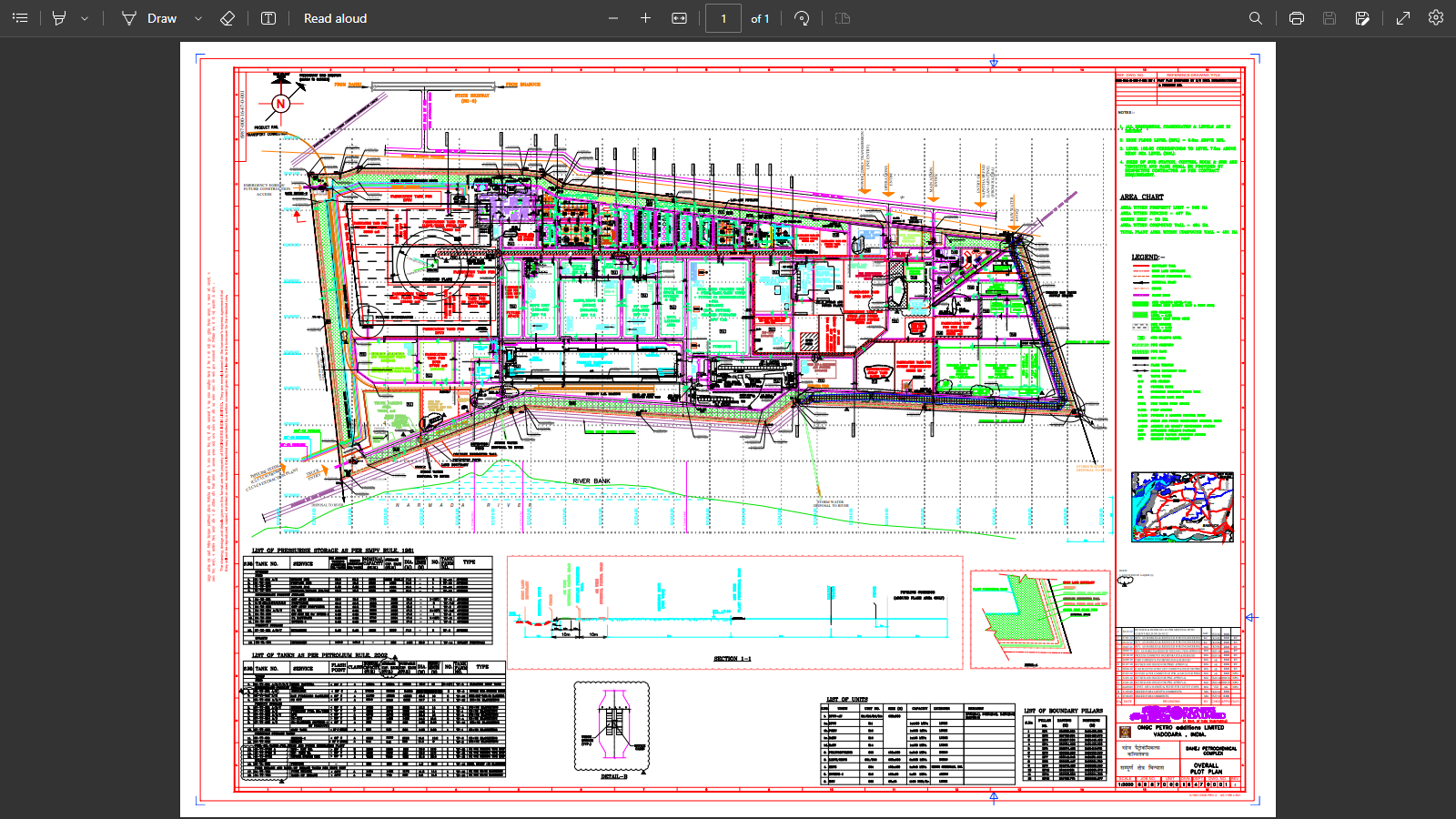
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| --- | --- | --- | --- |
| **Blast proof Control Rooms** | | | |
| **S. No.** | **Plant** | **Building** | **Built up Area**  **(In Sq. mtr.)** |
| 1 | Offsite | Offsite control room | 2,015 |
| 2 | DFCU | Remote Instrumentation building -1 | 2,280 |
| Remote instrumentation building -2 | 1,805 |
| Remote instrumentation building -3 | 1,490 |
| 3 | PP | Satellite rack room 2 | 1,617 |
| 4 | PE | Satellite rack room 3 | 2,213 |
| 5 | HDPE | Satellite rack room 4 | 1,750 |
| 6 | Butene | Satellite rack room 5 | 948 |
| 7 | Offsite | Pipe line control room | 1,415 |

**Details of Major Overhead Tank(s),**

| **S.**  **No.** | **Tank** | **Capacity** | **Type** |
| --- | --- | --- | --- |
| 1 | ELSR at ID package | 4.86 Lac Liters | Circular RCC Elevated 15 mtr. |
| 2 | Over Head drinking water tank -1 (Backside of UCR) | 50,000 Liters | RCC elevated 25 mtr. |
| 3 | Over Head drinking water tank -2 (Near CTSB) | 50,000 Liters | RCC elevated 35 mtr. |

**Overall Plot Plan**





|  |  |
| --- | --- |
| **PART F** | **INDUSTRY STATUTORY APPROVAL & NOCs DETAILS** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Approvals/ NOCs Provided** | **Reference No./ Date** | **Status**  **(Approved/ Applied For/ Pending)** |
|  | Renewal of Letter of Approval Office of the Development Commissioner | No. KASEZ/P&C/6/28/2007-08/Vol-III/4334  Dated: 09-07-2021 | Obtained |
|  | License to work a Factory Directorate Industrial Safety & Health Gujarat State | License No. 23597  Dated 15-12-2022 | Vali Till  31-12-26 |
|  | Building Plan Approvals | Various ref. nos. at various dates | Obtained |
|  | Fire Safety Certificate Gujarat State Fire Prevention Services South Gujarat | No. RFO-SFPS/F.No-1613/NOC-Industries  Dated: 23-07-21 | Obtained |
|  | Structural Stability Certificate | Product Warehouse  Ref. No. 21/09/27/C  Dated: 27-09-2021 | Obtained |
| Poly Propylene Plant  Ref. No. 20/12/2/B  Dated: 02-12-2020 | Obtained |
| LLDPE / HDPE Plant  Ref. No. 20/12/9  Dated: 09-12-2020 | Obtained |
| DFCU + PGHU/BzEU/BdEU Units & Cracker Furnaces  Ref. No. 21/09/27/F  Dated: 27-09-2021 | Obtained |
| ETP Unit  Ref. No. 21/09/27/G  Dated: 27-09-2021 | Obtained |
| IA / PA Plant  Ref. No. 21/09/27/E  Dated: 27-09-2021 | Obtained |
| Laboratory & I.D. Packaging  Ref. No. 21/09/27/B  Dated: 27-09-2021 | Obtained |
| Substation, Pump House, Loading Unloading Gallary  Ref. No. 21/09/27/A  Dated: 27-09-2021 | Obtained |
| Raw Water Treatment Plant  Ref. No. 21/09/27/D  Dated: 27-09-2021 | Obtained |

***OBSERVATIONS:*** *Project meets preliminary necessary compliance statutory approvals except which are expired.*

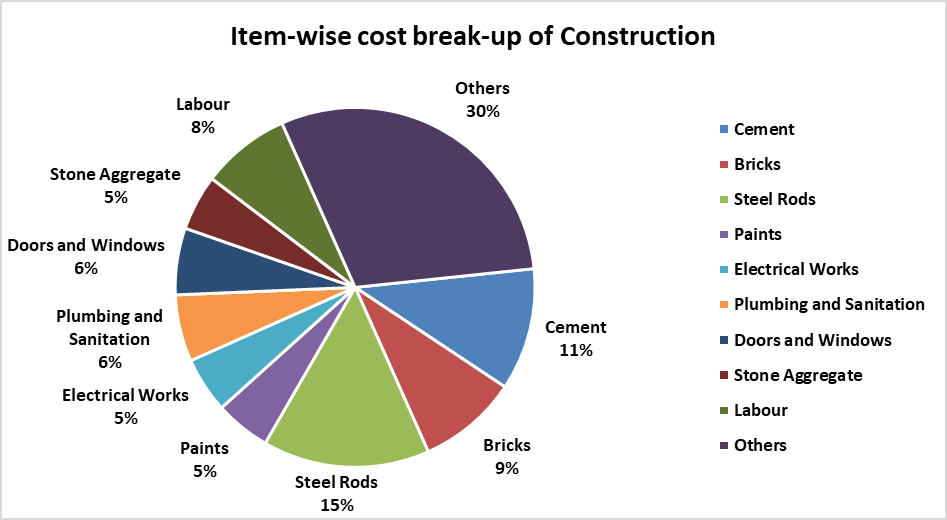
|  |  |
| --- | --- |
| **PART H** | **ASSET VALUATION ASSESSMENT** |

* As per scope of work defined by the company, OPaL is in process of exit from Dahej, SEZ and company is required specific report for valuation of Immovable property. Thus, we have only calculated value of building & civil structures in the subject plant.
* We have applied International Valuation Standards for the specific purpose.
* We have used Depreciated Reproduction Cost Method under Cost Approach.

|  |  |
| --- | --- |
|  | **BUILDING & CIVIL WORKS VALUATION ASSESSMENT** |

1. **METHODOLOGY ADOPTED:** The fair market value of the building as on the date of valuation is its cost of reproduction on that date less the depreciation & other deterioration deductions from the date of completion of the buildings to the date of its valuation.

* Valuation assessment has been conducted of the building & civil works that has been capitalized in the books/ FAR of the company.
* Along with the FAR a list of 91 structures with their covered area from the list of structures mentioned in the FAR has also been shared with us.
* The main heads considered in this part of valuation are Factory Building on Leasehold Land, Leasehold improvement, Road & Culverts and Building – Others.
* As per our preliminary analysis applying plinth area rates of each structure, we found variation in the capitalized cost against each structure. However, the overall capitalized cost against the total area comes out to be within plinth area benchmark rates. We have checked with the company also for its reason but company couldn’t provide any details to this. As per our experience, since FAR is an accounting activity done by the finance people, therefore in such large projects sometimes item wise cost capitalization is not very neatly allocated to the specific asset and therefore such difference and mix and match may come. Also, since detailed technical parameters of all the structures was also not available, therefore plinth area rates method was not adopted for the valuation.
* Since the overall capitalized cost against the total area comes out to be within plinth area benchmark rates, therefore we have considered cost capitalized in FAR against each building as the sole basis of the valuation calculation and the buildings and civil works mentioned in the FAR are taken as it is.
* In spite of above limitations, Valuation has been conducted on each asset capitalized in the FAR only for computation purpose since their date of capitalization is different, but should be read as a whole & in totality and not building wise to get the true picture of the replacement cost of the total Building & civil works within the premise of the subject plant, for the reason as mentioned above.
* For estimating Replacement cost, WPI index of the Civil Structures/ works is calculated based on the major item wise cost inflation calculation for specific year. Other methods which could be used is CPWD plinth area rate or Construction cost inflation index issued by Construction Industry Development Council. However, for each year CPWD rates are not prescribed and CCI is not available post December 2019 on their website. Therefore, out of all the available data. Material wise WPI index is applied to reach to more accurate replacement cost.
* The weighted average indices have been taken for different components as depicted below to find out the inflation of the complete assets mentioned in the FAR from their respective date of capitalization till the date of valuation.



* The head ‘Others’ comprises Layout and Excavation, Flooring, Design and Fee for Engineer/ Architect, Soil, Water, Shuttering/ formwork, Borewell, Sand, etc. Inflation of these components has been taken approx. 4% per Year as per market trend for such services.
* The above bifurcation also includes a Labour component which constitutes approx. 8% of the total construction cost. Inflation of this component has been taken as per Cost Inflation Index (CII).
* The weighted average inflation has been applied on the Gross Block mentioned in the FAR to reach the Gross Current Reproduction Cost.
* Depreciation is then charged on the structures/civil works to reach at the depreciated replacement cost or Fair value, considering the life to be 5 - 45 years to absorb their respective economic life.
* The economic life of the RCC building is considered as 45 years and for PEB Steel structure as 30 years being Industrial structures, which are more than the economic life of the plant as it is assumed that the plant shall still remain ongoing concern/ operative even after its core economic life after getting major overhauling, retrofitting, etc. and its utility shall be intact. For other structures such as roads, culverts the economic life is taken as per industry trend.
* Condition of the buildings and structures was found to be good during the site visit.
* The buildings in the plant comprises Administration Building, Central Workshop, Training Centre & Architectural work, Central Control Room, Main Substation, Laboratory Building, Catalyst Chemical Storage Building, Central Warehouse, DFCU SS, Main Fire Station, Electrical MCC Room/ Substation Building, Switch Gear Building, etc.
* The head ‘Other Building’ in the FAR comprises construction of peripheral boundary wall, fencing, drainage green belt development, etc.
* In the FAR, the company has capitalized Office Renovation- Delhi & Omkara which are not the part of Subject Plant and therefore, has not been considered in this valuation exercise.
* For detailed break-up of the buildings capitalized in the FAR, please refer Building sheet.

1. **BUILDINGS & CIVIL WORKS VALUATION:** Below table shows the Cost of Capitalization under Buildings head which is extracted from the Fixed Asset Register dated 31-12-2022 provided to us by the company & their valuation as on date:

***Figures in ₹ Cr.***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No.** | **Particular** | **As per OPaL as**  **on 31-12-2022** | | **As per RKA as**  **on 31-07-2023** | |
| **Gross Block** | **Net Block** | **GCRC** | **FV** |
| 1 | Leasehold improvement | 698.29 | 555.78 | 1,059.21 | 694.56 |
| 2 | Road, Culverts | 679.61 | 480.18 | 746.99 | 556.76 |
| 3 | Factory Building on Lease hold Land | 834.98 | 681.16 | 956.35 | 816.47 |
| 4 | Building - Others | 310.19 | 279.58 | 341.73 | 278.89 |
| **Total** | | **2,523.07** | **1,996.70** | **3,104.28** | **2,346.67** |

|  |  |
| --- | --- |
| **PART I** | **CLASSIFICATION OF COMPONENTS** |

As per FAR shared by the company, it comprises multiple building/structures & development line items along with Capitalization Cost & Book Value as of 31-12-2022. Details of the same are as follows:-

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Particular** | **As per Company** | |
| **Gross Block**  **(In Rs. Cr.)** | **Net Block**  **(In Rs. Cr.)** |
| 1 | Leasehold improvement | 698.29 | 555.78 |
| 2 | Road, Culverts | 679.61 | 480.18 |
| 3 | Factory Building on Lease hold Land | 834.98 | 681.16 |
| 4 | Building - Others | 310.19 | 279.58 |
| **Total** | | **2,523.07** | **1,996.70** |

As per scope of work defined, filling of Bill of Entry is required for immovable property. Thus, we have further categorized the above mentioned type of construction into different heads as per its utility. Categorized details as per FAR as are follows:-

|  |  |  |
| --- | --- | --- |
| **Heads** | **Gross Block**  **(In Rs. Cr.)** | **Net Block**  **(In Rs. Cr.)** |
| Development | 817.11 | 660.99 |
| Road | 632.09 | 438.07 |
| RCC Framed Structure | 430.23 | 365.57 |
| RCC Structure | 422.92 | 357.02 |
| Steel Structure | 133.18 | 108.07 |
| Drain | 70.48 | 61.03 |
| Fencing | 10.26 | - |
| Boundary Wall | 6.46 | 5.95 |
| **Total** | **2,522.73[[1]](#footnote-1)** | **1,996.70** |

As per data available of different public domain and based on type of components i.e. Bricks, Cement, TMT Bars, Other Material & Labour (Services) used in the construction of building/structure & development of the project. The breakup of components are as follows:-

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *Cost component in %* | | | | | | |
| **Component Type** | **Other Material** | **TMT Bars** | **Cement** | **Bricks** | **Labour (Services)** | **Total** |
| Development | - | - | - | - | 100% | **100%** |
| Road | 40% | 23% | 19% | 7% | 12% | **100%** |
| RCC Framed | 46% | 28% | 20% | 2% | 2% | **100%** |
| RCC Structure | 57% | 15% | 11% | 9% | 8% | **100%** |
| Steel Structure | 35% | 30% | 10% | - | 25% | **100%** |
| Drain | 15% | - | 8% | 54% | 23% | **100%** |
| Fencing | 78% | - | - | - | 22% | **100%** |
| Boundary | 15% | - | 8% | 54% | 23% | **100%** |

**TMT bars: -** TMT bars comprises steel & bars used in construction of Road, RCC framed Structure, RCC Structure and Steel Structure. As on date of report preparation, the average price of TMT is Rs. 70.00/- per KG in Dahej, Gujarat accordingly consumed quantity of TMT bars in project is calculated.

**Cement: -** Cement used in construction of Road, RCC framed Structure, RCC Structure, Steel Structure, drain and boundary. As on date of report preparation, the average price of 1 bag of 50 kg of Cement is Rs. 400/- in Dahej, Gujarat accordingly consumed quantity of Cement bags in project is calculated.

**Bricks: -** Bricks used in construction of Road, RCC framed Structure, RCC Structure, Steel Structure, drain and boundary. As on date of report preparation, the average price of 1 Engineering is Rs. 10/- in Dahej, Gujarat accordingly consumed quantity of bricks in project is calculated.

**Labour (Services): -** Labour/services used involved in the construction of the project comprises Highly Skilled, Skilled, Semi-skilled & unskilled workforce having different pay per day. Since it is large petrochemical complex started in Year 2009 and commissioned in year 2017. Therefore, a huge number of workforce was involved in the project implementation. Thus, we have assumed the cost of Labour (services) is Rs. 1,000/- per day for the project.

As per current market scenario, the details of purchase price of TMT Bars, Cement, Brick & Labour Cost are as follows:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particular** | **Other Material** | **TMT Bars** | **Cement** | **Bricks** | **Labour (Services)** |
| **Share (In Rs.)** | 7,59,10,21,475 | 3,67,20,79,028 | 2,74,38,46,603 | 1,32,71,74,445 | 9,89,32,15,245 |
| **Rate (In Rs.)** | **-** | 70 per KG | 400 per Bag | 10 Per Brick | 1000 per person per day |
| **Quantity** | **-** | 5,24,58,272 Kg | 68,59,617 Bag | 13,27,17,444 Nos. | 98,93,215 Man Days |

|  |  |
| --- | --- |
| **PART L** | **VALUATION ASSESSMENT SUMMARY** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S.**  **No.** | **Particulars** | **Gross Block**  ***(in Rs. Cr.)*** | **Gross Current Replacement Cost**  ***(in Rs. Cr.)*** | **Fair Value**  ***(in Rs. Cr.)*** |
|  | Building | 2,523.07 | 3,104.28 | 2,346.67 |
|  | **Total** | **2,523.07** | **3,104.28** | **2,346.67** |
|  | Additional Premium if any | --- | | |
| Details/ Justification | --- | | |
|  | **Fair Value *(Rounded Off)*** | **---** | **---** | **Rs. 2,347 Cr.** |
|  | **Fair Value *(in words)*** |  |  | Rupees Two Thousand Three Hundred and Forty-Seven Crores Only |
|  | **Expected Realizable Value (@ ~10% less)** | --- | --- | **Rs. 2,112.30 Cr.** |
|  | **Concluding Comments/ Disclosures if any** | | | |
| 1. This is just core Asset Valuation and not an Enterprise Valuation. This report doesn’t cover any prospective sale value of the Power Plant as a whole which is based on the cash flows of the business. 2. Fragmented/ Individual component wise may fetch different values, however this Valuation is prepared based on the ongoing concern and the Values has been applied in totality/ group of assets. 3. This valuation exercise has been performed to reach the prospective fair market value using the replacement cost for setting up such Greenfield integrated plants in current scenario. This should not be treated as the transactional value of these assets. 4. As per the valuation assessment, the per kTPA cost with a DFCU capacity of 1.1 MMTPA comes out to be approximately Rs.29 Cr. and as per the market comparable shown in section B of Part I, it is around Rs.20-22 Cr. which is varying widely. The cost of the project may affect on a lot of factors such as the different characteristics of each petrochemical complex, type of auxiliary plants, and the capacities of each plant. Hence, it is not taken into consideration. 5. The Plant was setup under SEZ which is a tax-free zone. Therefore, company got certain tax benefits in terms of Customs and Central Excise Duties applied on the procurement of ‘Import of Capital Goods’ and ‘Indigenous Capital Goods’ which would not have been otherwise available had the Plant would have been outside SEZ. As per Opal, company has got Bond-cum-legal undertaking for Special Economic Zone Unit of Rs.2,300 crores which company saved in import duties. Had the Plant would have been outside SEZ then the capital cost for setting up the Plant might have been different which requires proper assessment including assessment of other benefits & rebates which might be applicable as per law. In the present valuation no such scenario is considered. 6. This is just a physical asset valuation and doesn’t cover any kind of financial, operational, tax, utility liabilities or dues. 7. We are independent of client/ company and do not have any direct/ indirect interest in the property. 8. This valuation has been conducted by R.K Associates Valuers & Techno Engineering Consultants (P) Ltd. and its team of experts. 9. This Valuation is done for the property found on as-is-where basis as shown on the site by the Bank/ customer of which photographs are also attached with the report. 10. Reference of the property is also taken from the copies of the documents/ information which interested organization or customer could provide to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct. However, we do not vouch the absolute correctness of the property identification, exact address, physical conditions, etc. based on the documents provided to us since property shown to us may differ on site Vs as mentioned in the documents or incorrect/ fabricated documents may have been provided to us. 11. Legal aspects for eg. investigation of title, ownership rights, lien, charge, mortgage, lease, verification of documents from originals or from any Govt. department, etc. has to be taken care by legal experts/ Advocates and same has not been done at our end. 12. The valuation of an asset is an estimate of the worth of that asset which is arrived at by the Valuer in his expert opinion after factoring in multiple parameters and externalities. This may not be the actual price of that asset and the market may discover a different price for that asset. 13. This report only contains opinion based on technical & market information which came to our knowledge during the course of the assignment. It doesn’t contain any recommendations. 14. This report is prepared following our Standard Operating Procedures & Best Practices and will be subject to Limitations, Conditions, Valuer’s Remarks, Important Notes, Valuation TOS and basis of computation & working as described above. 15. The use of this report will become valid only after payment of full fees as per the Payment Terms. Using this report or any part content created in this report without payment of charges will be seen as misuse and unauthorized use of the report. | | | |
| **7.** | **IMPORTANT KEY DEFINITIONS** | | | |
| ***Fair Value*** *suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of the assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm’s length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.*  *Fair Value without using the term “Market” in it describes that the value suggested by the Valuer may not mandatorily follow or may not be in complete consonance to the established Market in his expert opinion. It may or may not follow market dynamics. But if the suggested value by the valuer is not within the prevailing Market range or is assessed for an asset is located in an un-established Market then the valuer will give reasonable justification & reasoning that for what reasons the value suggested by him doesn’t follow the prevailing market dynamics.* | | | |
| ***Fair Market Value*** *suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset/ property without any prejudice in consonance to the Market dynamics after he has carefully & exhaustively evaluated the facts & information came in front of him or which he could reasonably collect during the course of assessment related to the subject asset on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities which is just & equitable at which the subject asset/ property should be exchanged between a willing buyer and willing seller at an arm’s length transaction in an open & unrestricted market, in an orderly transaction after proper marketing, wherein the parties, each acted knowledgeably, prudently without any compulsion on the date of the Valuation.*  *Here the words “in consonance to the established Market” means that the Valuer will give opinion within the realms & dynamics of the prevailing market rates after exhaustively doing the micro market research. However due to the element of “Fair” in it, valuer will always look for the factors if the value should be better than the market realms which is just & equitable backed by strong justification and reasoning.* | | | |
| ***Market Value*** *suggested by the competent Valuer is that prospective estimated amount which is average price of the similar comparable assets prevailing in an open & established market during the near period of the date of valuation at which the subject asset/ property should be exchanged between a willing buyer and willing seller on an as-is, where-is basis in its existing conditions, with all its existing advantages & disadvantages and its potential possibilities at an arm’s length transaction in an open, established & unrestricted market, in an orderly transaction, wherein the parties, each acted without any compulsion on the date of the Valuation.*  *Using the term “Market Value” without “Fair” omits the elements of proper marketing, acting knowledgeably & prudently.*  *Market and market participants can be sentimental, inclined towards the transaction without the element of complete knowledge & prudence about facts or due diligence of the asset therefore “each acted knowledgeably, prudently” has been removed from the marker Value definition.* | | | |
| ***Realizable Value*** *is that minimum prospective estimated value of the asset/ property which it may be able to fetch at the time of actual property transaction factoring in the element of discount due to the prospects of deep negotiations between the buyer & seller when the parties in-principally find Fair Market Value reasonable and sits together to close the deal and the transaction across the table. Discount percentage on the Fair Market Value due to negotiation will depend on the nature, size, various salability prospects of the subject asset, the needs of the buyer & the seller and kind of payment terms. In some of the cases Realizable and Fair Market Value may also be equal.* | | | |
| ***Distress Sale Value\**** *is that value when the property is attached with any process such as mortgaged financing, financial or operational dues which is under any stress condition or situation and the stakeholders are under process of finding resolution towards it to save the property from being attached to a formal recovery process. In this type of sale, minimum fetch value assessed will always be less than the estimated Fair Market Value where the discount of percentage will depend upon various circumstances and factors such as nature, size, salability prospects of the property and kind of encumbrance on the property. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the property will be more on the seller than the buyer.* | | | |
| ***Liquidation Value*** *is the amount that would be realized when an asset or group of assets are sold due to any compulsion or constraints such as in a recovery process guided by statute, law or legal process, clearance sale or any such condition or situation thereof where the pressure of selling the asset/ property is very high to realize whatever maximum amount can be from the sale of the assets in a limited time for clearance of dues or due to closure of business. In other words, this kind of value is also called as forced sale value.* | | | |
| ***Difference between Cost, Price & Value:*** *Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also having different definitions in professional & legal terms. Therefore, it is our professional responsibility to describe the definitions of these words to avoid ambiguity & confusion in the minds of the user of this report.*  *The* ***Cost*** *of an asset represents the actual amount spend in the construction/ actual creation of the asset.*  *The* ***Price*** *is the amount paid for the procurement of the same asset.*  *The* ***Value*** *is defined as the present worth of future rights in the property/ asset and is a hypothetical or notional price that buyers and sellers are most likely to conclude for a good or service. Value is not a fact, but an estimate of the likely price to be paid for a good or service at a given time in accordance with a particular definition of value.*  *Therefore, in actual for the same asset/ property, cost, price & value remain different since these terms have different usage & meaning.* | | | |

**IMPORTANT NOTES**

***DEFECT LIABILITY PERIOD****- In case of any query/ issue or escalation you may please contact Incident Manager by writing at valuers@rkassociates.org. We try our level best to ensure maximum accuracy in the Calculations done, Rates adopted and various other data points & information mentioned in the report but still can’t rule out typing, human errors, assessment or any other mistakes. In case you find any mistake, variation, discrepancy or inaccuracy in any data point mentioned in the report, please help us by bringing all such points into our notice in writing at* [*valuers@rkassociates.org*](mailto:valuers@rkassociates.org) *within 30 days of the report delivery, to get these rectified timely, failing which R.K Associates shouldn’t be held responsible for any inaccuracy in any manner. Also, if we do not hear back anything from you within 30 days, we will assume that the report is correct in all respect and no further claim of any sort will be entertained thereafter. We would welcome and appreciate your feedback & suggestions in order to improve our services.*

*Our* ***DATA RETENTION POLICY*** *is of* ***ONE YEAR****. After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.*

***COPYRIGHT FORMAT*** *- This report is prepared on the copyright format of R.K Associates to serve our clients in the best possible way. Legally no one can copy or distribute this format without prior approval from R.K Associates. It is meant only for the organization as mentioned on the cover page of this report. Distribution or use of this format or any content of this report wholly or partially other than R.K Associates will be seen as unlawful act and necessary legal action can be taken against the defaulters.*

***IF REPORT IS USED FOR BANK/ FIs***

***NOTE:*** *As per IBA Guidelines in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.*

***At our end we have not verified the authenticity of any documents provided to us. Bank is advised to verify the genuineness of the property documents before taking any credit decision.***

***Valuation Terms of Services & Valuer’s Important Remarks are available at*** [***www.rkassociates.org***](http://www.rkassociates.org) ***for reference.***

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| --- | --- | --- |
| SURVEY ANALYST | VALUATION ENGINEER | L1/ L2 REVIEWER |
| Adil Afaque &  Manas Upmanyu | Abhinav Chaturvedi | Sr. V.P. Projects |
|  |  |  |

**ENCLOSURE: PHOTOGRAPHS OF THE PROPERTY**

|  |  |
| --- | --- |
| **Propylene Purification Unit** | **Extruder Section** |
| **Bending Silos** | **Bagging Silos** |
| **PE Swing Plant** | |
| **HDPE Plant** | |
| **HDPE Polymerization Area** | |
| **HDPE Plant – Separation & Drying Area** | |
| **HDPE – Extrusion & Finishing Area** | |
| **Hexane Storage Area** | |
| **Cooling Towers** | |
| **Gantry & Pentane Bullet** | |
| **Flares & Hydrogen Bullet** | |
|  | |

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| --- | --- |
| **PART M** | **VALUER’S IMPORTANT REMARKS** |

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| --- | --- |
|  | Valuation is done for the asset found on as-is-where basis which owner/ owner representative/ client/ bank has shown/ identified to us on the site unless otherwise mentioned in the report of which some reference has been taken from the information/ data given in the copy of documents provided to us and informed verbally or in writing out of the standard checklist of documents sought from the client & its customer which they could provide within the reasonable expected time out of the standard checklist of documents sought from them and further based on certain assumptions and limiting conditions. The information, facts, documents, data which has become primary basis of the report has been supplied by the client which has been relied upon in good faith and is not generated by the Valuer. |
|  | The client/ owner and its management/ representatives warranted to us that the information they have supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us either verbally, in writing or through documents has been relied upon in good faith and we have assumed that it is true & correct without any fabrication or misrepresentation. I/We shall not be held liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents. |
|  | Legal aspects for eg. Investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents provided to us such as title documents, Map, etc. from any concerned Govt. office etc. have to be taken care by legal expert/ Advocate and same is not done at our end. It is assumed that the concerned Lender/ Financial Institution has asked for the valuation of that property after satisfying the authenticity of the documents given to us for which the legal verification has been already taken and cleared by the competent Advocate before requesting for the Valuation report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. |
|  | In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions and other information provided to us by the client during the course of the assessment. |
|  | Getting cizra map or coordination with revenue officers for site identification is a separate activity and is not part of the Valuation services and same has not been done in this report unless otherwise stated. |
|  | Wherever any details are mentioned in the report in relation to any legal aspect of the property such as name of the owner, leases, etc. is only for illustration purpose and should not be construed as a professional opinion. Legal aspects are out of scope of this report. Details mentioned related to legal aspect are only based on the copy of the documents provided to us and whatever we can interpret as a non-legally trained person. This should be cross validated with a legal expert. We do not vouch any responsibility regarding the same |
|  | We have made certain assumptions in relation to facts, conditions & situations affecting the subject of, or approach to this exercise that has not been verified as part of the engagement rather, treated as “a supposition taken to be true”. If any of these assumptions prove to be incorrect then our estimate on value will need to be reviewed. |
|  | This is just an opinion report based on technical & market information having general assessment & opinion on the indicative, estimated Market Value of the property for which Bank has asked to conduct the Valuation. 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. |
|  | We have relied on the data from third party, external sources & information available on public domain to conclude the valuation. 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 the data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data is extracted from authentic sources, however we still can’t vouch its authenticity, correctness, or accuracy. |
|  | Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work and based on the Standard Operating Procedures, Best Practices, Caveats, Limitations, Conditions, Remarks, Important Notes, Valuation TOR and definition of different nature of values. |
|  | Value varies with the Purpose/ Date/ Asset Condition & situation/ Market condition, demand & supply, asset utility prevailing on a particular date/ Mode of sale. The indicative & estimated prospective Value of the asset given in this report is restricted only for the purpose and other points mentioned above prevailing on a particular date as mentioned in the report. If any of these points are different from the one mentioned aforesaid in the Report then this report should not be referred. |
|  | Our report is meant ONLY for the purpose mentioned in the report and should not be used for any other purpose. The Report should not be copied or reproduced for any purpose other than the purpose for which it is prepared for. I/we do not take any responsibility for the unauthorized use of this report. |
|  | We owe responsibility only to the authority/client that has appointed us as per the scope of work mentioned in the report. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the client or companies, their directors, employees or agents. |
|  | This report is having limited scope as per its fields & format to provide only the general basic idea of the value of the property prevailing in the market based on the site inspection and documents/ data/ information provided by the client. The suggested indicative prospective estimated value should be considered only if transaction is happened as free market transaction. |
|  | 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. |
|  | The actual realizable value that is likely to be fetched upon sale of the asset under consideration shall entirely depend on the demand and supply of the same in the market at the time of sale. |
|  | While our work has involved an analysis & computation of valuation, it does not include detailed estimation, design/ technical/ engineering/ financial/ structural/ environmental/ architectural/ compliance survey/ safety audit & works in accordance with generally accepted standards of audit & other such works. The report in this work in not investigative in nature. It is mere an opinion on the likely estimated valuation based on the facts & details presented to us by the client and third party market information came in front of us within the limited time of this assignment, which may vary from situation to situation. |
|  | Where a sketched plan is attached to this report, it does not purport to represent accurate architectural plans. Sketch plans and photographs are provided as general illustrations only. |
|  | Documents, information, data including title deeds provided to us during the course of this assessment by the client is reviewed only upto the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work. These are not reviewed in terms of legal rights for which we do not have expertise. Wherever any information mentioned in this report is mentioned from the documents like owners name, etc., it is only for illustration purpose and may not necessary represent accuracy. |
|  | The report assumes that the borrower/company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets is managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with relevant laws, and litigations and other contingent liabilities that are not recorded/reflected in the documents/ details/ information/ data provided to us. |
|  | This valuation report is not a qualification for accuracy of land boundaries, schedule (in physical terms), dimensions & identification. For this land/ property survey report can be sought from a qualified private or Govt. surveyor. |
|  | This Valuation report is prepared based on the facts of the property on the date of the survey. Due to possible changes in market forces, socio-economic conditions, property conditions and circumstances, this valuation report can only be regarded as relevant as at the valuation date. Hence before financing, Banker/ FI should take into consideration all such future risk and should loan conservatively to keep the advanced money safe in case of the downward trend of the property value. |
|  | Valuation of the same asset/ property can fetch different values under different circumstances & situations. For eg. Valuation of a running/ operational shop/ hotel/ factory will fetch better value and in case of closed shop/ hotel/ factory it will have considerable lower value. Similarly, an asset sold directly by an owner in the open market through free market transaction then it will fetch better value and if the same asset/ property is sold by any financer due to encumbrance on it, will fetch lower value. Hence before financing, Lender/ FI should take into consideration all such future risks while financing and take decision accordingly. |
|  | Valuation is done for the property identified to us by the owner/ owner representative. At our end we have just visually matched the land boundaries, schedule (in physical terms) & dimensions of the property with reference to the documents produced for perusal. Method by which identification of the property is carried out is also mentioned in the report clearly. Responsibility of identifying the correct property to the Valuer/ its authorized surveyor is solely of the client/ owner for which Valuation has to be carried out. It is requested from the Bank to cross check from their own records/ information if this is the same property for which Valuation has to be carried out to ensure that owner has not misled the Valuer company or misrepresented the property due to any vested interest. Where there is a doubt about the precision position of the boundaries, schedule, dimensions of site & structures, it is recommended that a Licensed Surveyor be contacted. |
|  | In India more than 70% of the geographical area is lying under rural/ remote/ non municipal/ unplanned area where the subject property is surrounded by vacant lands having no physical demarcation or having any display of property survey or municipal number / name plate on the property clearly. Even in old locations of towns, small cities & districts where property number is either not assigned or not displayed on the properties clearly and also due to the presence of multiple/ parallel departments due to which ownership/ rights/ illegal possession/ encroachment issues are rampant across India and due to these limitations at many occasions it becomes tough to identify the property with 100% surety from the available documents, information & site whereabouts and thus chances of error, misrepresentation by the borrower and margin of chances of error always persists in such cases. To avoid any such chances of error it is advised to the Bank to engage municipal/ revenue department officials to get the confirmation of the property to ensure that the property shown to Valuer/ Banker is the same as for which documents are provided. |
|  | If this Valuation Report is prepared for the Flat/ dwelling unit situated in a Group Housing Society or Integrated Township then approvals, maps of the complete group housing society/ township is out of scope of this report and this report will be made for the specific unit based on the assumption that complete Group Housing Society/ Integrated Township and the subject unit must be approved in all respect. |
|  | Due to fragmented & frequent change in building/ urban planning laws/ guidelines from time to time, different laws/ guidelines between regions/ states and no strict enforceability of Building Bye-Laws in India specially in non-metro and scale b & c cities & Industrial areas, property owners many times extend or make changes in the covered area/ layout from the approved/ applicable limits. There are also situations where properties are decades old when there was no formal Building Bye-Laws applicable the time when the construction must have been done. Due to such discrete/ unplanned development in many regions sometimes it becomes tough for the Valuer to determine the exact lawful situation on ground. Unless otherwise mentioned in the report, the covered area present on the site as per site survey will be considered in the Valuation. |
|  | Area of the large land parcels of more than 2500 sq.mtr or of uneven shape in which there can be practical difficulty in sample measurement, is taken as per property documents which has been relied upon unless otherwise stated. |
|  | Drawing Map, design & detailed estimation of the property/ building is out of scope of the Valuation services. |
|  | Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various data point/ information/ factors/ assumption considered by the consultant which became the basis for the Valuation report before reaching to any conclusion. |
|  | Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. |
|  | Value analysis of any asset cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made. Therefore, there can be no standard formula to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers, demand & supply prevailing in the market and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to take informed and wise decision about the Value of the asset and can help in facilitating the arm’s length transaction. |
|  | This Valuation is conducted based on the macro analysis of the asset/ property considering it in totality and not based on the micro, component, or item wise analysis. Analysis done is a general assessment and is not investigative in nature. |
|  | This report is prepared on the RKA V-L1 (Basic) Valuation format as per the client requirement and scope of work. This report is having limited scope as per its fields & format to provide only the general estimated & indicative basic idea of the value of the property prevailing in the market based on the information provided by the client. No detailed analysis, audit or verification has been carried out of the subject property. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover. |
|  | This is just an opinion report and doesn’t hold any binding on anyone. It is requested from the concerned Client/ Bank/ Financial Institution which is using this report for mortgaging the property that they should consider all the different associated relevant & related factors & risks before taking any business decision based on the content of this report. |
|  | All Pages of the report including annexures 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. |
|  | As per IBA Guidelines & Bank Policy, in case the valuation report submitted by the valuer is not in order, the banks / FIs shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted. |
|  | **Defect Liability Period is 15 DAYS.** We request the concerned authorized reader of this report to check the contents, data, information, and calculations in the report within this period and intimate us in writing at [**valuers@rkassociates.org**](mailto:valuers@rkassociates.org) within 15 days of report delivery, if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, then it shall be considered that the report is complete in all respect and has been accepted by the client upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. After this period no concern/ complaint/ proceedings in connection with the Valuation Services will be entertained due to possible change in situation and condition of the property. |
|  | 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 upto their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner. |
|  | Our Data retention policy is of **ONE YEAR**. After this period we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data. |
|  | This Valuation report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) R.K Associates Quality Policy, (3) Valuation & Survey Best Practices Guidelines formulated by management of R.K Associates, (4) Information input given to us by the customer and (4) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then we request the user of this report to immediately or atleast within the defect liability period to bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly. |
|  | R.K Associates never releases any report doing alterations or modifications by pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void. |
|  | We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws. |
|  | The final copy of the report shall be considered valid only if it is in hard copy on the company’s original letter head with proper stamp and sign on it of the authorized official upon payment of the agreed fees. User shall not use the content of the report for the purpose it is prepared for only on draft report, scanned copy, email copy of the report and without payment of the agreed fees. In such a case the report shall be considered as unauthorized and misused. |

1. *Delhi office renovation of Rs. 0.33 Cr. is not considered for OPaL Dahej Plant classification.* [↑](#footnote-ref-1)