**REPORT FORMAT:** V-L5 (Large) | Version: 4.2\_2022

**File No.: VIS(2024-25)PL145-121-161 Dated: 25.06.2024**

**PROJECT BUILDING COST COMPUTATION 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.***

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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** |





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

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| --- | --- | --- | --- | --- |
| **S. NO.** | **CONTENTS** | **DESCRIPTION** | | |
|  | **GENERAL DETAILS** | | | |
|  | Report prepared for | ONGC Petro additions Limited (OPaL) | | |
|  | Work Order No. & Date | Via e-mail dated 10-06-2024 | | |
|  | 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, District-Bharuch, Gujarat. | | |
|  | Type of the Property | Industrial Plant/ Petrochemicals Complex | | |
|  | Type of Report | Industrial Building Assessment | | |
|  | Report Type | Project Detailed Building Assessment | | |
|  | Date of Inspection of the Property | *NA* | | |
|  | Date of Assessment | 25 June 2024 | | |
|  | Date of Report | 25 June 2024 | | |
|  | Surveyed in presence of/ Information gathered during site survey | Owner's representative | | *NA, Desktop Building Assessment Report* |
|  | Purpose of the Report | Hard Cost of Building Value Assessment duty payment for SEZ Exit | | |
|  | Scope of the Report | Opinion on General Prospective Building Value 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 on is-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 written down value of the Project Building physically present. 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. | | |
|  | Identification of the property | ☐ | Cross checked from boundaries of the property mentioned in the deed | |
| ☐ | Done from the name plate displayed on the property | |
| ☐ | Identified by the owner/ owner representative | |
|  | Survey was not done | |
|  | Is property number/ survey number displayed on the property for proper identification? | No. | | |
|  | Type of Survey conducted | NA, as desktop building assessment report | | |

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

1. **NAME OF THE PROJECT:** Detailed Building Value Assessment 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.

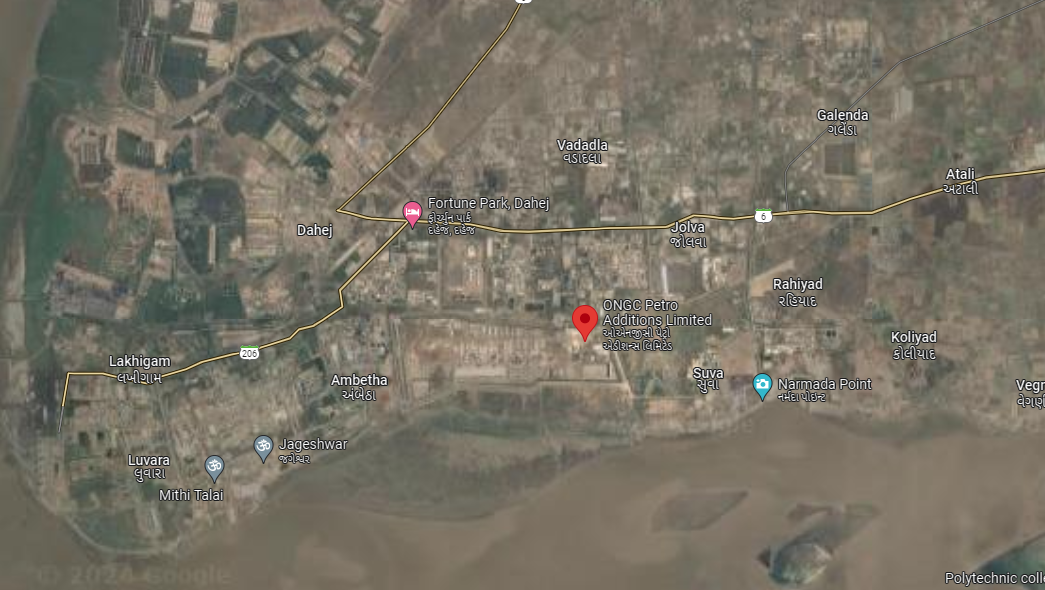
This is a Project Fixed Asset Value Assessment report comprises of only Building of the subject plant. Details of the same are enumerated in this report.

ONGC Petro additions Limited (OPaL) has appointed us for the hard cost building value assessment of the subject plant.

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.

**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.



**BUILDING DESCRIPTION**

The company has shared building/structure’s AutoCAD drawing to verify structures. 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.

1. **PURPOSE OF THE REPORT:** To assess & determine the current Written Down Value of the Immovable Asset i.e. Building & Civil Works (Hard Cost) for duty to SEZ of the Project pertaining to M/s. ONGC Petro additions Limited (OPaL).
2. **SCOPE OF THE REPORT:** To assess and determine Written Down Value of the Assets as- on-where is basis covering following points:

* Hard Cost of building & Civil Works Assessment

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

**Building**

* Structure/ civil works technical details provided in the FAR
* Overall Layout Plan

|  |  |
| --- | --- |
| **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 Map | Yes appears to be on cursory visual observation. | |
| 1. Details of alterations/ deviations/ illegal construction/ encroachment noticed in the structure from the original approved plan | ☐ Permissible Alterations |  |
| ☐ Not permitted alteration |  |
| 1. Is this being regularized | Yes, by Dahej SEZ | |

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| --- | --- |
| **PART E** | **ASSET VALUE 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 of Immovable property to pay custom duty to SEZ, Dahej. Thus, we have only calculated value of hard cost of building & civil structures in the subject plant.
* We have used Straight Line Method under Cost Approach to calculate the depreciation based upon balance useful life.

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

1. **METHODOLOGY ADOPTED:** The Written Down Value of the building as on the date of computation is its cost of capitalization on that date less the depreciation from the date of completion of the buildings to the date of its computation.

* As per information shared by the company management, company recently recompiled & sorted out FAR and provided fresh FAR dated 31-03-2024. Provided section of FAR comprising building & civil works details along with Hard Cost, IDC & Finance Cost.
* WDV assessment has been conducted of the building & civil works that has been capitalized in the books/ FAR of the company comprising 202-line items.
* 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 report are Factory Building on Leasehold Land, Leasehold improvement, Road & Culverts and Building-Others.
* Depreciation is then charged on the structures/civil works to reach at the Written Down Value, considering the useful 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.
* 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.
* For detailed break-up of the buildings capitalized in the FAR, please refer Building sheet.

1. **BUILDINGS & CIVIL WORKS ASSESSMENT:** Below table shows the Cost of Capitalization under Buildings head which is extracted from the Fixed Asset Register dated 31-03-2024 provided to us by the company & their valuation as on date:

***Figures in ₹ Crore***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No.** | **Particular** | **As per OPaL as on 31-03-2024** | | | **As per RKA as on 24-06-2024** |
| **Total Capitalized Cost** | **IDC & Finance Cost** | **Hard Cost** | **Depreciated Value** |
| 1 | Factory Building on Lease hold Land | 1,236.23 | 454.74 | 781.48 | 387.37 |
| 2 | Road, Culverts | 639.04 | 328.87 | 310.18 | 95.90 |
| 3 | Building - Others | 282.57 | 135.04 | 147.54 | 14.16 |
| 4 | Leasehold Land | 3.01 | 1.24 | 1.77 | 1.28 |
| **Total** | | **2160.85** | **919.88** | **1240.96** | **498.71** |

|  |  |
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| **PART F** | **ASSESSMENT SUMMARY** |

***Figures in ₹ Crores***

|  |  |  |  |
| --- | --- | --- | --- |
| **S.**  **No.** | **Particulars** | **Gross Block** | **Present Value after Depreciation** |
|  | Building & Civil Works (Hard Cost) | 1,240.96 | 498.71 |
|  | **Total** | 1,240.96 | 498.71 |
|  | Additional Premium if any | --- | |
| Details/ Justification | --- | |
|  | **Present Value after Depreciation *(Rounded Off)*** | **---** | **Rs. 499.00 Cr.** |
|  | **Present Value after Depreciation *(in words)*** |  | **Rupees Four Hundred and Ninety-Nine Crores Only** |
|  | **Concluding Comments/ Disclosures if any** | | |
| 1. This is just core Asset Assessment (Building Only) and not an Enterprise Valuation. This report doesn’t cover any prospective sale value of the 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. This is just a physical asset valuation and doesn’t cover any kind of financial, operational, tax, utility liabilities or dues. 5. We are independent of client/ company and do not have any direct/ indirect interest in the property. 6. This valuation has been conducted by R.K Associates Valuers & Techno Engineering Consultants (P) Ltd. and its team of experts. 7. This Assessment 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. 8. 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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** | | |
| ***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 |
| *NA* | Abhinav Chaturvedi | Sr. V.P. Projects |
|  |  |  |

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| **PART G** | **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. |