



**Government of Orissa
Department of Public Enterprises**

Expression of Interest for *Assets Valuation of Oil Orissa Ltd.

The Government of Orissa has decided to close down the Orissa State Cooperative Oil Seeds Growers' Federation Limited (in short "Oil Orissa").

Department of Public Enterprises, Government of Orissa wishes to engage a valuer for valuation of land and building which includes plant and machineries and other fixed assets*.

The valuer is to:

- Provide inventory of the assets;
- Detail guide of value to the assets.

The valuer (individual or firm) may make known their interest to the Department of Public Enterprises through an offer. The proposed valuation and it's Terms of Reference (ToR) can be accessed/ obtained from the website: <http://www.orissa.gov.in/publicenterprises/index.htm>.

The offer by the intended valuer can be submitted through hard copies (technical offer – 5 copies and commercial offer – 1 copy) in separate wax sealed covers within 15 days from this date of publication to the addressed below. Only short listed firms will be contacted.

The Government of Orissa reserved the right to reject/ accept the proposal or any bid or offer without assigning any reason thereof at any stage of the engagement of the valuer.

*** The assets means except the land for "Area Agronomic Centre", At: Mendhasal, Orissa.**

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TERMS OF REFERENCE FOR VALUATION OF ASSETS OF OIL ORISSA

1. Introduction

The Department of Public Enterprises is actively pursuing a programme of reform of the public sector units in the state, including apex cooperative societies such as Oil Orissa.

2. The Assignment

The decision of the Government of Orissa to closedown Oil Orissa, has necessitated undertaking a valuation of the assets of the cooperative unit for which it is intended to appoint an Advisers to carry out a valuation of the enterprises' land and buildings, plant and machinery and other fixed assets (including vehicles, furniture, fixtures, equipment, etc.). These terms of reference herein stated specify the work to be carried out by the Advisers.

The purpose of the valuation is:

- To provide an inventory of the Assets:
- To give GoO, and in particular DPE, a guide to the value of the Assets.

3. Scope of Work

The scope of work of the Advisers will be broken down into a number of tasks:

Task 1: Initial reviews of the enterprises

The advisers will familiarize themselves with Oil Orissa and, among other things, obtain from the enterprise, appropriate administrative Department, DPE and other sources any necessary information.

Task 2: Prepare and submit inception report

The inception Report will include the Adviser's impressions and analysis of the work needing to be done. This proposed detailed work programme will need to be agreed with DPE.

Task 3: Detailed examination of the enterprise

The Advisers will carry out all such investigations, and gather all such information, as is necessary and / or appropriate for the purposes of the valuation report. The valuation is to include all the assets of the enterprise.

Task 4: Value assets and submit valuation report

The Advisers will prepare, for consideration and approval by DPE, in conjunction with the enterprise, a draft valuation report:

- Specifying the value of the assets in the enterprises.
- Detailing the basis of valuation and providing full justification for such basis and for any assumptions underlying the valuation.

The valuation should state whether there is the assumption of no environmental contamination, seismic or climatic conditions or other factors that could affect the value.

The valuation will be for the purpose of assisting GoO in arriving at a decision on the forward action to be taken with respect to the Oil Orissa's assets, including providing an **indicative but not reserve price**, for disposal of the assets.

The Assets shall be valued on such basis of such basis of such detail as, in agreement with DPE. This is to approximate market value (or what might be described as "realizable value") of the assets, with

comments on these and any suggestions and explanations on how these may be interpreted by a potential buyer.

If the valuer in his professional opinion believes that other methods of valuation may be appropriate he may also include those in addition to the methods required. However it will not be acceptable to provide a valuation or valuations solely on the basis of “replacement value” or merely unadjusted “net book value”. It is important to clarify to intending Advisers that most valuation’s undertaken are with a view to meet financial/ banking requirements or from the taxation point of view. This however, is vastly different and will be grossly misplaced for the requirements of ‘value’ for the aforesaid task by DPE.

The Advisers will be required to give the full reasons for the different valuations, which will need to be fully justified and explained in the report and in the presentation as specified under the “Deliverables” section of these Terms of Reference.

4. Deliverables

Deliverables will include but will not necessarily be limited to:

- An Inception Report at the completion of Task 1.
- Brief progress reports that will comment on work undertaken, actions completed in respect of each enterprise, problems faced and suggestions for minor modifications to the agreed work programme as it progresses.
- Valuation reports on each enterprise following the agreed methodology. The draft valuation reports on all enterprises valued must be submitted on completion of the bulk of the work on each enterprise. The reports will be presented to DPE in hard copy and on CD using MS Word.

- Following submission of their reports, the Advisers may be required to make a formal presentation of their findings at a workshop arranged for that purpose.

5. **Timing**

The Timetable for the work will be:

- Inception report one week following the commencement of the work.
- Thereafter reports in accordance with the detailed work programme agreed following submission of the Inception Report and detailed work programme therein or as modified and agreed.
- Draft asset valuation reports on the enterprise valued will be submitted within three weeks after the start of the work or other time scale to be agreed. This to be in accordance with a timetable to be agreed following submission and discussion of the Inception Report.
- Draft final report following completion of all valuations, to be submitted within four weeks from the commencement of the work programme.

6. **Administrative Arrangements**

The Advisers will report to DPE. The Advisers tendering for this work should note that DPE will provide any office facilities, transport or other services in connection with this assignment.