

ಕರ್ನಾಟಕ ತಾಂತ್ರಿಕ ಸಲಹಾ ಸೇವಾ ಸಂಸ್ಥೆ (ಟೆಕ್ಸಾಕ್)

TECHNICAL CONSULTANCY SERVICES ORGANISATION OF KARNATAKA

(A Government of Karnataka Organisation)



TECSOK/CA-GMN/NGEF/2015/129

May 20, 2015

The Official Liquidator,
Office of the Official Liquidator,
High Court of Karnataka,
Ministry of Company Affairs, GoI,
No. 26-27, 'Corporate Bhavan',
12th Floor, Raheja Towers,
MG. Road, Bengaluru 560 001.

Dear Sir,

Sub: Inventory and Valuation of Assets of NGEF Limited (in liqn.) -
Clarifications

Ref.: Our letter No.: TECSOK/CA/NGEF/2015/800, dtd. 31.01. 2015

We refer to the captioned subject and subsequent inspections made to the factory on 8th and 19th May, 2015. During the inspection, there were discussions on classification of certain items in EHV and Transformer Factory. We wish to clarify with regard to permanent factory building, semi-permanent structures and plant & machinery in EHV and Transformer Factory and enclosed for your ready reference and further needful.

Thanking you,

Yours sincerely,

(M S Raghavendra)

CEO & Chief Adviser

Encl.: A/a.

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Sub.: Clarifications with regard to valuation of NGEF Assets

(i) EHV – T. Factory and Coil Winding Section:

- Main assembly bay: Height 23 m. North light roofing. AC sheet, RCC columns. Bracing beams. Provision for 200 tonnes crane. 1m. Thick heavy duty cement flooring with rails. Gear type rolling shutters.
- Western bay : Test field bay height 23 m. Gable roofing. MS trusses. Full wall cladding on two sides. One side open. One side sheet cladding. Eastern bay : Height 10m. EHV coil winding room : Height 8m. False ceiling with aluminum foil. Monitor truss. Crane gantry. Heavy duty cement flooring.
- Main assembly and Western bay have heavy duty cranes mounted on the RCC columns.
- Main assembly bay has AC sheet cladding and gear type rolling shutters on the southern side. Western assembly bay is also having AC sheet cladding on the one side. These AC sheet cladding in both the assembly lines are part of semi-permanent structures and do not fetch much value. Accordingly, the value of these AC sheet cladding is reckoned as part of respective heavy duty cranes under plant & machinery.
- The valuation of these structures is accounted under plant & machinery and could be disposed-off as part of plant & machinery.
- In view of the above, our observations are as follows:
 - To facilitate dismantling of heavy duty cranes erected in this EHV building, these AC sheet cladding adjoining Main Assembly and Western bay could be dismantled, as they are accounted as part of plant & machinery.

(ii) Transformer Factory:

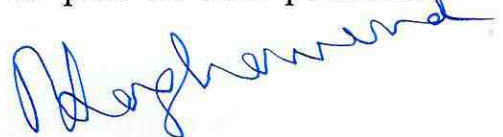
- The transformer factory building has two levels of roof height. The factory building has heavy duty MS columns supporting both types of roof along with heavy duty cranes.
- The central row of MS columns, which are supporting heavy duty crane and also roof structure. Any attempt to dismantle these central MS columns would result in collapse of roof structure. Hence, these central MS columns are accounted as part of permanent building and not as semi-permanent building or plant & machinery.
- The other line of MS columns (located nearer to the east-end wall of the building), which are independent from the side walls of the building are supporting only crane line. These MS columns are semi-permanent structures and value reckoned as part of respective crane lines under plant & machinery.
- In view of the above, our observations are as follows:
 - The central MS columns which are supporting crane line and also two levels of the roof of the building are part of permanent structure and should not be dismantled as part of semi-permanent structure / plant & machinery.
 - MS columns located to the east-end wall of the building, which are independent from the side walls of the building are supporting only crane line, could be dismantled as part of plant & machinery.

(iii) General

In the permanent factory buildings, MS columns supporting roof structure and also crane lines are considered as part of permanent factory buildings and should not be dismantled as part of semi-permanent structure / plant & machinery.



(G.M. Nataraj)
Adviser



(M.S. Raghavendra)
CEO & Chief Adviser