

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Facts on the proposed project of Centre of Excellence at Nagpur

This Statement of Facts as regards Centre of Excellence (COE) project at Nagpur is being issued for the general information of members in view of the ongoing discussion in public domain.

1. Basic details of the COE project at Nagpur are as under:

- i. It is composite contract for property comprising of Land & Buildings with fully developed infrastructure with support facilities in the State Government approved Township Project.

Total value of COE Project of Nagpur

Particulars	Amount
Value assigned to Land measuring 9.1 acre @ 1.57 crore per acre or @ Rs.360 per sq.ft.	14.28 crores
The value assigned to cost of building with fully developed infrastructure and various rights and facilities broadly mentioned below is (2,50,000 sq.ft. @ Rs.3328 per sq.ft.)	83.22 crores
Stamp duty and registration charges	2.44 crores
Total	99.94 crores
Or say around	100 crores

- ii. The land admeasures 9.1 Acre. The Value assigned to land is Rs. 14.28 crores which works out to be Rs. 360 per sq.ft.

The value assigned to cost of building with fully developed infrastructure and various rights and facilities broadly mentioned below is Rs.83.22 Crores (2,50,000 sq.ft. @ Rs.3328 per sq.ft.)

Stamp duty and registration charges is Rs.2.44 crores

- iii. The Built Up area is 2.5 Lacs Sq.Ft. including:

- Auditorium with capacity of 650 seats,
- 3 seminar halls with a capacity of 50 persons each, 2 seminar halls with a capacity of 75 persons each and one seminar hall with a capacity of 100 persons and with small meeting rooms.

- administrative block,
- 2 residential building. Each residential building having 112 rooms which can be used on twin sharing basis.
- Faculty building with a capacity of 20 room on single occupancy and 10 VIP rooms on single occupancy
- fully paved parking for 200 cars & 200 two wheelers,
- connections and systems for managing receiving supply of power, water, tele-communication etc, facility for drainage and rain water harvesting and storm water management, Security systems with access control and including CCTV cameras, fire-fighting systems

- iv) As the Project is in fully integrated township the residents of the COE will be eligible to use club facilities through ten corporate membership of club and fifty day membership of club.
- v) The project will be green initiative project with gold rating standard resulting in substantial reduction in recurring cost of consumption of power and also will have features such as solar heated water for bathrooms, re-cycled water for landscaping and flushing use.
- vi) Landscaping and horticultural services – soft-cap maintenance including greenery and landscape for indoor and outdoor plants, hard cap maintenance.
- vii) 50% of maintenance cost to be borne by vendor for 10 years. Maintenance includes repair of constructed complex, normal wear and tear of civil work, paint, mechanical and electrical services, repair of electrical wear and tear including breakdown, excluding DG sets, plumbing services – repair of plumbing services, repair of drainage network, repair of potable water network within complex.
- viii) Defect guaranty for 3 years from possession date and leakage warranty for 10 years

- ix) Concession of 50% of stamp duty being COE located in township approved by Government of Maharashtra
- x) Police Station and Fire Brigade Station attached to Township.
- xi) Obligation undertaken by the Developer to obtain approval from all authorities

The effective rate for land is Rs.360 per sq.ft and effective rate for cost of Building with fully developed infrastructure and attached rights as above is Rs.3328 Per Sq.ft.

2. The Council, at its 320th meeting held on 15th October, 2012 has discussed at length the issues relating to COE project at Nagpur.

(I) In the course of discussion it was felt that a White Paper be prepared documenting / compiling all the relevant facts on all infrastructure projects undertaken from 2004 specifically taking note of the need of physical infrastructure in the context of increasing number of members & students and ever-changing methodology of imparting knowledge/coaching and the present and projected availability of funds to facilitate understanding of facts of the infrastructure and the details of the processes followed in acquisition and / or development of the physical infrastructure.

With a view to facilitate systematic study & compilation of facts in the form of a White Paper for COE project at Nagpur in particular and all other projects other than Branch offices in general from 2004 onwards, a six Council Member Group is constituted by the Council at its said meeting.

(II) At the said meeting, the Council also decided that no further expenditure be incurred, in relation to the proposed COE Project at Nagpur, in any manner whatsoever by the land/building Developer or

any concern/Group associated with that Developer until further advice from the Institute.

In terms of the above decision/direction of the Council -

the above said Group constituted for the stated purpose had held its first meeting and discussed, among others the terms of reference and the methodology to be followed etc;

The Developer has been asked not to incur any further expenditure and the developer has confirmed to adhere to Institute's instruction.

As for cost so far incurred, it may be mentioned that as per agreements, an advance of Rs. 9.75 crores has been paid. The balance is payable over a period of two years.

The above brief statement of facts is placed before the Members at large for their information so that they are guided by the factual position and not misled by misinformation or statements with distorted facts.

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